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FILE → N. A. ROBERTSON

AUG. 5th, 1939

C150019

TERMINATION OF THE ANGLO JAPANESE COMMERCIAL TREATY AND THE POSITION OF CANADA.

(1) On the assumption, which now seems a probable one, that the Canadian Government may be asked by the Government of the United Kingdom within these next weeks whether they would object to the termination of the Anglo Japanese Commercial Treaty of 1911, consideration should be given to the following points:

(i) the consequences from a Canadian viewpoint of the termination of present arrangements; and

(ii) the form in which Canada's concurrence in the ending of the present Agreement might be expressed.

(2) The effect of terminating the Anglo Japanese Treaty on commercial relations between Japan and the various parts of the British Empire to which the Treaty applies would vary:

(a) in accordance with the method of termination i.e. whether 12 months notice of termination were given or whether it were held to be immediately and automatically voided by Japanese breach of its obligations;

(b) in accordance with the tariff structure and policies of the different parts of the British Empire to which the Treaty now applies.

(3) If it should be decided to give formal notice of termination of the Treaty in accordance with its provisions, existing commercial relations would be carried on undisturbed until the prescribed twelve months period had elapsed. The United Kingdom and Canada would remain obligated to accord Japan unconditional most favoured nation treatment in respect of import and export trade. This limitation on the United

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Kingdom's freedom of action as regards possible economic retaliation against Japan makes it probable that they will prefer, if they decide to do anything, to hold the Treaty voided.

(4) The voiding or termination of the Treaty would affect Japanese-Canadian commercial relations quite differently from the way it would affect United Kingdom-Japanese relations. In the latter case it would not automatically involve any change in the customs treatment of Japanese goods imported into the United Kingdom. The United Kingdom would simply become free to impose specific disabilities on Japanese trade, e.g. they would then be free to impose special punitive tariffs, establish restrictive quotas, curtail financial credits or prohibit the export to Japan of essential war materials. None of these consequences, however, would follow unless the United Kingdom Government were determined to take specific action on one or more of these lines.

(5) The Canadian position, however, would be quite different as a result of the essential differences between the structure of our customs tariff and that of the United Kingdom. Once the Anglo-Japanese Treaty came to an end most favoured nation treatment would automatically be withdrawn from Japanese imports which would then become subject to the rates of duty of the General Tariff which are in almost all cases substantially higher than the most favoured nation rates now applicable to Japanese goods. At the same time, imports from Japan would become subject to the 3% special excise tax which remains in force on goods imported under the General Tariff. It will be seen, therefore, that termination of the Anglo-Japanese Trade Agreement would set in train quite a different set of consequences in Canada from

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from what it would in the United Kingdom. Canada might thus find itself in the position of taking what might be regarded as directly punitive measures against Japanese trade at a time when neither the United Kingdom nor the United States were committed to taking similar steps.

(6) The United States has given notice of termination of its Commercial Treaty with Japan to take effect in six months' time---the period of notice provided in the Treaty. On the expiration of that period, the United States may or may not decide to withhold the benefits of most favoured nation treatment from Japan. If it does decide to do so the relative worsening of the tariff treatment of Japanese goods imported into the United States would not be as severe as the relative worsening of their treatment on importation into Canada which would result from the withholding of most favoured nation treatment by this country. If the United States withdrew most favoured nation treatment from Japan the tariff rates then applicable to Japanese imports would simply be those which applied to all countries from 1930 to 1935; the only appreciable effect on its tariff treatment of Japanese goods would result from the withdrawal of such benefits as Japan may have received from the conclusion by the United States since 1935 of Trade Agreements with third countries. In fact, however, the Trade Agreements with third countries were very carefully drawn with a view to minimizing the incidental advantages which Japan would secure from them by virtue of the most favoured nation clause. It will be seen, therefore, that even if the termination of the United States-Japanese Trade Agreement results in the withholding of most favoured nation treatment of Japan it will not be a very serious blow to Japanese export trade.

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(7) It has already been noted that the termination of United Kingdom-Japanese Treaty will not, in itself, and unless followed up by other action, result in any immediate worsening of the treatment of Japanese goods imported into the United Kingdom or the Colonies. In these circumstances it may be thought advisable to let London and Washington know that we are rather worried lest their strategic retreat along "parallel lines" in the Far East may leave Canada holding on to an exposed and probably untenable salient. Otherwise we may find ourselves taking isolated economic action against Japan while the United Kingdom and the United States continue to accord de facto most favoured nation treatment to Japanese goods.

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(9) It has been suggested that Canada should find independent occasion for taking, proprio motu, more or less simultaneous and identical action with the United Kingdom, i.e. if the United Kingdom advises Japan that the "New Order in East Asia" compels her to give notice of terminating the Trade Treaty, Canada should advise Japan that an unprecedented expansion of imports of narrow fabrics from Japan has compelled her to take similar action;

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on the other hand, if the United Kingdom advises Japan that specific breaches of treaty obligations on the part of Japan have forced her to regard the Treaty as voided, then Canada would have to dig up similar allegations of treaty violation of Canadian rights to justify our coming to the same conclusion.

(10) It is submitted that such a course would not only invite a good deal of criticism in this country and elsewhere from persons who would doubt the validity of our allegedly independent reasons for happening to follow a line of policy that coincided with the United Kingdom's. It would also constitute a rather dubious precendent which might prove embarrassing on future occasions for the assumption that Canada could be counted on to find her own peculiar reasons for doing whatever British policy of the moment might seem to require.

(11) Instead of seeking separate and independent grounds for giving notice of withdrawal of Canadian adherence to the Anglo-Japanese Treaty or for holding it voided as between Canada and Japan it might be wiserand franker to recognize the anomalous character of our commercial treaty relations with Japan insofar as they arise from our adherence to the Anglo-Japanese Treaty of 1911. We could then accept the consequences either of the formal termination or of the voiding of the 1911 Agreement, as the case might be, and inform the Japanese Government directly of the effect on commercial relations between Canada and Japan of action taken, in the first instance, by the Government of the United Kingdom.

W. L. M. Kobertson
5.8.39.

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5.8.39

TERMINATION OF THE ANGLO JAPANESE COMMERCIAL TREATY AND THE POSITION OF CANADA.

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Ottawa, 11th August, 1939.

MEMORANDUM FOR THE PRIME MINISTER:

ANGLO-JAPANESE TREATY

With reference to the attached telegram, Mr. Robertson has prepared a memo on certain aspects which require careful consideration by the Government.

L.B.

See Telegram of Sir Thomas Inskip to WLMKC, Aug. 8, 1939, circular D. 267

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Dr Skelton
Those [illegible] attached with great interest. I had better be returned on Jane Tyler for the brought forward as occasion may require or suggest
[illegible]
11-3-39

DEPT. OF EXTERNAL AFFAIRS

Prime Minister

Mr Robertson has prepared this useful summary of the wide field of commercial relations which may require attention shortly.

Ottawa, Dec 30/38 FILE: O.D. SKELTON

OD

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✓ Trade - Canadian Trade Policy
✓ Treaties - Canadian Commercial Treaties

NAR:RT
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Confidential

CANADA'S COMMERCIAL TREATY RELATIONS
WITH OTHER COUNTRIES

C150031

EMPIRE

United Kingdom

The present treaty remains in force until August 20th, 1940, and thereafter until six months after either Government has given notice of termination. There is no present prospect of either Government proposing any important change in the existing arrangements. Rates of duties under the British Preferential Tariff will be lowered on a number of items as from January 1st, 1939, as a result of the application of the margin provisions of the present Agreement. Whether there should be further reductions in the duties on United Kingdom goods in the Budget is a matter of Governmental policy, and will doubtless be influenced by whether or not the United Kingdom decides to lower duties on dutiable Canadian goods on which the preferential margin has been reduced by the United Kingdom-United States Agreement e.g. silk stockings.

Ireland

The Agreement concluded in 1932 for five years firm plus six months notice remains in force. It provides for each country giving the other the benefit of any preference it accords to any other part of the Empire so that Ireland gets the benefit of the lower rates accorded the United Kingdom by Canada in 1937, and Canada gets the benefit of the

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lower duties Ireland granted the United Kingdom in 1938. The present arrangement is working satisfactorily and there is no occasion to consider its revision.

Australia

Commercial relations with Australia were rather strained during the negotiation of the new Agreement with the United States as a result of Australian unwillingness to facilitate those negotiations in any way. Preliminary conversations are now under way looking toward the negotiation of a Trade Agreement between Australia and United States. If and when those discussions take definite shape we shall probably be compelled to re-examine the Canada-Australian Trade Agreement. Canada has already agreed to interpose no objection to the reduction of the Australian preference on soft wood lumber to the level of the United States duties on imported Canadian lumber. It is likely that the United States will ask Australia to relieve Canada from the obligation to maintain present duties on raisins and on canned fruits, and will seek reductions in unbound preferences in Australia which will require reconsideration of existing arrangements.

New Zealand

Trade with New Zealand will be adversely affected by the new regime of exchange control and import licensing which their Government has had to introduce in order to protect the exchange rate between the New Zealand £ and the £ sterling and to

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maintain the service charges on external debt. We may anticipate a tendency on the part of New Zealand to give the United Kingdom priority over other Empire producers in granting import licenses on the ground that the United Kingdom is overwhelmingly the principal market for New Zealand exports. There is little prospect that the negotiation of a new Agreement could improve our export position in that market, particularly since it would hardly be feasible to make further tariff reductions in favour of New Zealand's principle exports - butter, mutton and lamb.

South Africa

In view of the termination of the Canada-West Indies Trade Agreement on December 31st 1939, we must contemplate tackling the revision of the South Africa Trade Agreement of 1932 which rebinds the sugar preferences fixed in the British West Indies Agreement during the next year. South Africa is in principle ready to revise the present Agreement and we have agreed that modifications made in it to facilitate our new Agreement with the United States should be given due consideration in such revision.

Southern Rhodesia

The Trade Agreement between Canada and Southern Rhodesia, concluded in 1932, was denounced by Southern Rhodesia as from January 1st, 1938. Canada,

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however, continues to receive on most products substantial preferences over foreign competitors, though she does not receive as favourable treatment as the United Kingdom. Unless some new arrangement is reached to take care of the direct shipment difficulties resulting from Southern Rhodesia's lack of economic access to the ocean, except through Beira in Portugese East Africa, it cannot take advantage of the British Preferential Tariff treatment that is nominally accorded it by Canada. It may be possible to negotiate a limited Agreement restoring their rights to ship through Beira enjoyed under the old Agreement in return for more favourable treatment of important exports.

Newfoundland

The inclusion of Newfoundland in the Trade Agreement between the United Kingdom and the United States has resulted in lower duties on a number of Canadian exports to the island, but has made the prospect of concluding a reciprocal preferential arrangement between Canada and Newfoundland more remote than ever. The present situation is in some ways irregular but should probably be left undisturbed on compassionate grounds.

India

Notice that the benefit of the British Preferential Tariff would be withdrawn from Indian goods from April 1st, 1939, was communicated to the Government of India, who have now asked whether Canada would withhold action for a few months pending

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the negotiation between Canada and India of a commercial arrangement. If no action is taken on this Indian request it is understood that most-favoured foreign nation treatment will be accorded Indian goods.

Burma

Under present arrangements Burma will continue to receive the benefits of the British Preferential Tariff as a successor state of British India, although its tariff treatment of Canadian goods is identical with that accorded by the Federation of India. This is an anomalous situation which will require further consideration if the British Preferential Tariff is withdrawn from India. So far as possible the two countries should be treated equally in tariff matters.

Colonial Empire

The present exchange of preferences between Canada and the Colonial Empire is governed by: (i) the Canada-British West Indies Agreement of 1925, and (ii) Schedule VI and VII of the Canada-United Kingdom Agreement of 1937. We have given notice of our intention of terminating the former from December 31st, 1939, and have proposed the negotiation of a new Agreement to take its place. It is quite possible that the United Kingdom Government will propose that the Colonial schedules of the Canada-United Kingdom Trade Agreement should

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be revised at the same time. Revision of this Agreement entailing reconsideration of the whole Canadian sugar tariff, of shipping subsidies to West Indian services and of the preferences Canadian goods enjoy in those colonies, will be a complicated and lengthy job which will have to take precedence over any other trade negotiations projected for 1939.

FOREIGN

United States

The Trade Agreement with the United States signed on November 17th, 1938, will run until November 25th, 1941, - three years from the date on which the United States marking requirements were lifted from imported lumber - and thereafter until six months from the date of either Government giving notice of termination. The Agreement requires Parliamentary approval and Royal ratification and enters definitively into force from the date of the exchange of the ratification for a copy of the President's Proclamation.

Responsible representations have been received urging modification of the Agreement in two respects: (a) the "unbinding" of the rate on automobiles, which under the Agreement cannot be increased above 17½% and, (b) the extension of the "broken period" formula under which fixed valuations may apply, from the storage crops to which it is confined in Schedule I to a number of other fresh fruits and vegetables in respect of which it has been represented that a greater

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measure of discretion might be left to the Administration without prejudice to the position of the United States exporters. Modification of the Agreement along either of these lines would involve the negotiation of a new supplementary Trade Agreement in conformity with established United States procedure. It is hardly feasible to initiate action of this sort immediately without running the risk of jeopardizing a number of the concessions which Canada secured from the United States and which are proving a source of political embarrassment to the United States Government. However, it ought to be possible once the new Trade Agreement is definitively confirmed to be able to explore with the United States authorities the possibility of a limited supplementary agreement based on the principle of reciprocal concessions which might enable the Government to meet some of the more reasonable suggestions that have been received.

It is very doubtful if this should be done unless the Government definitely intends to use the freedom to raise the motor car duties.

France

Commercial relations with France are governed by a series of agreements and exchanges of notice badly in need of consolidation and restatement in a single comprehensive Trade Agreement. Apart from the desirability of tidying up the treaty position, it is essential if we are to get on with the job of restoring the Canadian tariff to its normal three-level structure to get rid of the type of tariff concession

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given France under the agreements of 1933 and 1935, i.e. a concession in the form of a percentage discount from the rates of the Intermediate Tariff. In principle the French are prepared to substitute the conventionalization of tariff rates for this type of percentage reduction and agree with us on the desirability of replacing the present ad hoc agreements by a new and comprehensive one. Preliminary discussions to this end have been under way intermittently for some time with the commercial attache of the French Legation here. With Mr. Macdonald's transfer to our Legation in Paris it is thought that negotiations for a new French agreement could suitably be shifted there, where they could be carried on simultaneously with our trade discussions with other countries in Ottawa.

Belgium

Negotiations for a new Trade Agreement with Belgium were fairly well advanced last winter before the departure of our Trade Delegation to Washington. They have been suspended over the summer and the Belgian Minister is now pressing for their active resumption. A good many of the tariff concessions which might have been offered Belgium have, in fact, been included in Schedule I of the United States Agreement and will be extended to Belgium by the operation of the most-favoured-nation clause. There remain a number of rates of duty on products of which Belgium is an important supplier of Canadian requirements which might reasonably stand some reduction in

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a new Agreement, but whether or not any substantial safeguard for our wheat market in Belgium could be secured in a new Agreement is likely to depend on our ability to offer a reduction in the duty on window glass on which the present market of preference is bound in favour of the United Kingdom. Preliminary discussion of this possibility with the United Kingdom Trade Delegation in Washington during the summer did not reveal any readiness on their part to forego any part of their margin of preference, but it is for consideration whether it would be worthwhile raising the matter officially with the United Kingdom Government.

Netherlands

Commercial relations between Canada and the Netherlands are now in a reasonably satisfactory state and are likely to be substantially improved by the removal of the special excise tax of 3% on goods imported from most-favoured-nation countries. There has been some discussion at intervals over the last two or three years of the advisability of negotiating a new Trade Agreement: but the principal difficulty in the way of doing so is the fact that the tariff concession which Holland would chiefly value would be a reduction of our relatively high duty on artificial silk yarns. A reduction the benefits of which were confined to Holland, France and the United States would bring our tariff on artificial silk yarns and fabrics more in line with the tariff on other textiles

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and would not be hard to defend. Unfortunately this is a product of which both Japan and Italy are very important actual and potential suppliers and a certain nervousness about what the effect might be of extending the benefit of a lower rate of duty to those countries has so far prevented any serious tariff discussions with the Netherlands Government.

Germany

The Payments and Provisional Trade Agreements with Germany concluded in November 1936 remain in force. Their operation has made possible a larger and more balanced trade between the two countries than obtained in the three or four preceding years, although in volume it is far short of the trade between Canada and Germany in pre-depression years.

Politically these Agreements are a liability because: (i) the principle of exact bilateral balancing of trade which they exemplify is at cross purposes with the more liberal commercial policies which it is in Canada's general interest to have prevail as widely as possibly; (ii) they point up a rather conspicuous contrast between Canadian and United States commercial policies and one about which Mr. Secretary Hull is, perhaps unreasonably, too conscious; (iii) the extension of most-favoured-nation treatment to Germany which will include the benefits of the lower rates of duty accorded United States goods under the new Agreement and of the remission of the 3 p.c. special excise will undoubtedly be one of the Opposition's chief

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points of criticism of the new United States Agreement. It is possible to make a pretty adequate answer in respect of the effect of the extension to Germany of any given tariff reduction provided for in the United States Agreement, for those concessions were carefully framed to make certain that the United States would be the major beneficiary from each of them. It will be more difficult, however, to rebut similar criticisms in respect of removal of the 3 p.c. special excise tax because it will be removed equally from the just and the unjust and without regard to the protective or competitive effects of any given rate of duty.

Switzerland

Canada enjoys most-favoured-nation treatment in Switzerland and benefits from the lower rates of duty accorded by that country to United States products in a Trade Agreement in 1936 and will benefit from a number of tariff concessions on primary products made in a recently concluded Agreement between Switzerland and Australia. The Swiss Government have indicated their readiness to negotiate a new Agreement with Canada and some preliminary conversations have taken place between the Swiss Consul General and the Department of Trade and Commerce, although there have been no developments in the matter recently.

Italy

The existing exchange of most-favoured-nation treatment with Italy means something to that country

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but very little to Canada because quantitative restrictions, exchange regulations and preferential treatment for Danubian products have progressively worsened Canada's competitive position in the Italian market. A more serious obstacle in the long run to any radical improvement of our trading relations with Italy is that country's insistent effort to be economically self-supporting and ultimately to be independent of imports of Canada's principle export commodities. Despite these short run and long run impediments in the way of an agreement, the Italian Government is apparently anxious, partly for trade and partly for prestige purposes, to negotiate an agreement and has within the week submitted new proposals which appear to contemplate some bilateral balancing of Italo-Canadian trade along the lines of the Canadian-German Payments Agreement facilitated by tariff reductions on our part and larger quotas on theirs. Apart from such influence as considerations of general policy may have in determining the desirability of negotiating a new agreement with Italy in the present circumstances prior commitments to consider trade questions with France and Belgium, the British West Indies and probably India and South Africa make it a physical impossibility to undertake any kind of comprehensive negotiations with Italy within the next few months. It may be noted in this connexion that commercial discussions with Italy would not only have to embrace the complicated business of import licenses

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and exchange allocations for each exported product but would also have to deal with questions of frozen commercial credits, restrictions on transfer of capital and discrimination against Canadian shipping companies.

It may also be noted that the wide ranging reductions in duty on salt codfish secured under the United States Agreement have taken the edge off the urgency of trying to secure some expansion of fish exports to Italy.

Poland

There are no complaints about the operation of the Polish Agreement of 1935, but trade between the two countries is a pretty thin trickle at best. It may be noted that if progress is made with the elimination of the percentage discounts from the Intermediate Tariff in the present Trade Agreements with France, the same question will have to be taken up with Poland and our Agreement with that country revised in the same sense as the French Agreements.

U.S.S.R.

Proposals for negotiating a supplementary trade agreement with the U.S.S.R. based on the grant of most-favoured-nation treatment by Canada in return for firm orders to be placed in this country by the Soviet Union have been dormant for a good many months. The possibilities of some action along this line might usefully be looked into again.

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Greece

Greece is the only country in Europe subject to the provisions of the Canadian General Tariff and Canadian products entering Greece are subject to the almost prohibitive rates of the Greek Maximum Tariff. Various earlier efforts to improve this situation have been wrecked by our inability to offer Greece any concession on currants - her principle export. If, by any chance, as a consequence of the Australia-American trade negotiations the former could consent to some modification to its margins of preference in Canada on dried fruits, it might be possible to work out some more satisfactory trading arrangements with Greece.

Turkey

Turkish goods are subject to the provisions of the Canadian General Tariff and Canadian goods entering Turkey do not benefit from the tariff or exchange treatment to which on a strict construction of the Turkish law they are entitled. Representations against this situation have been made from time to time through the diplomatic channel during the last few years without result. Hitherto the difference between our General and Intermediate Tariffs on typical Turkish export goods has been so slight that the country has had little inducement to qualify for most-favoured-nation treatment in Canada. The reduction in duty in the United States Agreement on dates and figs and the prospective differential between General and most-favoured-nation treatment to

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be created by the retention of the special 3 p.c. excise on goods imported under the General Tariff, may give Turkey an incentive to mend matters by giving Canada the same tariff treatment and exchange allocations it accords United States goods.

Japan

Since January 1st, 1938, the current dollar-yen exchange rate has been used in computing the value for duty of Japanese imports and no exchange dumping duty has applied. There has, however, been no very conspicuous expansion of imports from Japan and the balance of trade remains heavily in favour of Canada. It is not expected that Japan will benefit directly to any very considerable extent from the lower rates of duty applicable to United States goods as from January 1st, 1939, since, as in the case of Germany, the possibility of Japanese competition was kept in mind in framing the concessions to be made to the United States and (cf. the new duties on Tariff item 523c, the principal cotton fabric item in which there is no reduction in existing duties on goods valued at less than 50¢ per lb., the price range in which Japanese competition has hitherto been most severe). However, Japan will undoubtedly benefit, equally with other favoured nations, from the removal of the special excise tax on imports under the Intermediate or more favourable tariffs.

The exchange of favoured nation treatment between Canada and Japan derives from the Canadian

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accession to the Anglo-Japanese Convention of Commerce in 1911. It is understood that there is some possibility that this Convention may be terminated by the United Kingdom as a protest against the discriminatory commercial policies enforced by Japan in the Japanese-controlled areas of China. In this event Canada might have to contemplate either the negotiation of a new and separate commercial agreement with Japan, which in view of the present political situation in the Far East might prove difficult and would certainly involve taking some political risks which would probably not be offset by any commensurate economic advantages, or could simply accept the termination of the existing arrangements as a fait accompli to which we were not privy and for which we were not directly responsible.

China

China is subject to the provisions of the Canadian General Tariff despite the fact that China has always accorded to Canadian exports as favourable tariff treatment as it gave to exports of any other country. This anomalous situation has lasted a long time; but it has never represented a settled policy of treating Japanese imports more favourably than Chinese. The case for giving China equal treatment with other foreign countries has long been strong. The only real question for consideration is whether any useful purpose would be served by action at the present time when all Chinese ports are under Japanese control.

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OFFICE OF THE PRIME MINISTER

MEMORANDUM

C150047

For Dr. Skelton:

The Prime Minister has returned Mr. Robertson's confidential memorandum on Canada's commercial treaty relations with other countries, on which he has made the following notation addressed to you:

"I have, on different occasions, read the attached with great interest. It had better be retained on your files, to be brought forward as occasion may require or suggest.

W.L.M.K. 11.3.39"

I assume, however, that you have kept copies of this memorandum on your departmental files, and that the correct procedure is to retain the original in the Prime Minister's Office.

A. D. P. H.

March 14, 1939.

JWP/MP

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Re Halibut Convention of 1937 C.

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(This memorandum is a statement taken from the Report of the International Fisheries Commission, January 1936, recommending certain amendments to the 1930 Convention, MEMORANDUM which are now incorporated in the new Convention signed January 30, 1937).

A

By the Convention of 1930 the retention and sale by fishermen of halibut caught incidental to fishing for other species of fish is forbidden during any close season. The second sentence of the third paragraph of Article I may be quoted:

> "Any halibut that may be taken incidentally when fishing for other fish during the season when fishing for halibut is prohibited under the provisions of this Convention or by any regulations adopted in pursuance of its provisions may be retained and used for food for the crew of the vessel by which they are taken. Any portion thereof not so used shall be landed and immediately turned over to the duly authorized officers of the Department of Commerce of the United States of America or of the Department of Marine and Fisheries of the Dominion of Canada. Any fish turned over to such officers in pursuance of the provisions of this article shall be sold by them to the highest bidder and the proceeds of such sale, exclusive of the necesary expenses in connection therewith, shall be paid by them into the treasuries of their respective countries."

Under this provision those men engaged in the growing fisheries for the other species, such as sable fish, red cod, and salmon are forbidden to sell the halibut taken. The fisheries for sable fish and red cod use the same gear and methods as are used for halibut, hence cannot be differentiated by control of the gear. At times as much as 10 to 15 percent of the total catch of the vessel engaging in there fisheries consists of halibut which are so badly injured on the hooks as to die in large part even if liberated. The law is specific in stating that this halibut must be either used as food or brought in and surrendered.

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The provision has proved in practice to be unworkable and a needless penalty on the honest fisherman. Its specific authorization "any halibut...may be retained" and the requirement "any portion not so used shall be landed," have merely provided excellent excuses for the possession and retention of halibut whenever such has been observed by a patrolling vessel in a closed area. They have facilitated and not hindered illegal landing and sale by the unobserved majority.

Moreover, once in possession, the temptation to declare fish taken illegally in a closed area as of open area origin in order to facilitate sale has proved irresistible to many.

Difficult to prove, law violations have gradually come to be recognizable by the very absurdity of the statements made as to the origin of the openly marketed fish. Vessels of such small size as to be incapable of deep sea fishing have claimed to have made long voyages to open areas. Vessels known to fish certain cod grounds within closed areas have returned voyage after voyage with the amount of halibut normally expected in such operations, asserting its legal origin and the failure to take any halibut during their cod operations. None is surrendered as the law requires. As a result the law breaking spirit has begun to spread rapidly, so that even enforceable provisions of the law have been violated. Four vessels have been seized for such violations during 1935 and three others are under examination prior to seizure.

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The number of undoubted violations in Seattle alone in 1935 will suffice to show the necessity of change. Since the closure of that section of the coast, due to completion of its quota, 58 halibut landings by vessels fishing sable fish have been made. Although when interrogated regarding the origin of this halibut it was asserted to have come from an open area 500 miles distant, the landings were those normal to such vessels when operating on nearby banks. A similar condition has existed on other parts of the coast.

The growth of this law violation has been fostered by the very patent fact that the prohibition of sale of such fish results in the killing and waste of halibut thus caught, if an attempt is made to observe the law. Vessels anxious to observe the law shake these fish off their hooks. The Commission's observations show that unless unhooked in a way improbable in a commercial fishery the larger proportion of these fish die, causing wastage of valuable food. There has therefore arisen what is deemed a moral justification for law violation, greatly encouraging it.

The existing provisions are therefore in effect penalties on the honest fishermen without restraining the dishonest and are productive of wastage of needed food, when there is no good reason why such small quantities of halibut probably not exceeding 150,000 pounds for the whole fleet, might not be made legitimate, certainly during the season when halibut is being taken on other parts of the coast.

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To make this fish legitimate would be to encourage the development of fisheries which will supplement the take of halibut and divert some of the vessels for part of the season from the over large halibut fleet. Those of the halibut fleet which would not directly benefit would do so indirectly by the diversion of vessels, thereby leaving a larger share of the quota to those remaining in the halibut fishery.

It is therefore proposed to permit the landing of the halibut caught incidentally to fishing for other species of fish. To do so it is necessary to define what this amount normally is, and to grant permits for this amount to justify its possession and facilitate its control. Since several different and changing fisheries must be dealt with a definite statement as to the amount cannot be written into the Convention.

The abovequoted part of paragraph 3 of Article I has therefore been deleted in the proposed draft, and an addition has been made to the second paragraph in the same article under the powers given the International Fisheries Commission. Article I then reads in part:

> "...the International Fisheries Commission...is hereby empowered...to permit, limit, regulate and prohibit in any area or at any time when fishing for halibut is prohibited, the taking, retention, or landing of halibut caught incidentally to fishing for other species of fish and the possession during such fishing of halibut of any origin."

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B

No provision was made in the Convention of 1930 for any method of closure except that of declaring a date on which fishing must cease. It was provided in Article III that areas might be defined and the limit of catch in each such area set. When this limit was attained the closed season in the given area would begin. Article I has been used in defining this closed season.

But halibut vessels must leave port weeks in advance of closure in order to reach the grounds, and after ceasing fishing they may be a week reaching port. Under the present law the closing date must be forecast and announced a month in advance in order that vessels may know when fishing shall cease, because they cannot be reached for notification while at sea. This leads to difficulty on the part of the International Fisheries Commission in attaining any desired limit. It places on each captain the responsibility of judging as to how much time he must allow himself to get his fare before the season closes. As a result he often misjudges or encounters bad weather and must return with less than a fare, to his loss.

Such conditions have not only led to loss, but have led to fishing after the season has closed in order to prevent the loss, or to get a somewhat larger catch. This law violation has been difficult to detect by patrol along the great extent of broken coast over 2000 miles, but four vessels have been seized during December 1935 and seizure of three others is contemplated.

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The present condition is again one that penalizes the honest fisherman when there is no need. There is again no reason why a full normal last trip cannot be allowed the honest fisherman as well as the man who breaks the law to get it. This can be done by setting a date for last departure for fishing in any area which is to be closed. As at present, this date can be forecast approximately and warning given in order that all may have equal opportunity to adapt their movements to it, but the setting of such a date would allow a normal trip for all vessels which have been in time to depart.

Under this arrangement loss to the fisherman would be avoided, and incentive to law violation would cease. Whether post-season fishing is resorted to as an outright violation or under the guise of fishing for other species, it would cease to be a violation, to be excused by a false statement.

The proposed change is embodied in the following addition to Article III:

> "...the International Fisheries Commission... may...(c) prohibit departure of vessels from any port or place or from any receiving vessel or station to any area or areas for halibut fishing after any date when in the judgment of the International Fisheries Commission the vessels which have departed for that area prior to that date or which are known to be fishing in that area shall suffice to catch the limit which shall have been set for the said area under section (b) of this article..."

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C.

Alterations which have been made either for the purpose of clarity, or because of the two changes already discussed, are as follows, the text of the present and proposed treaties being compared in detail. The old and new texts are arranged in parallel columns. The deleted parts in the old and the added parts in the new are underscored.

Article I.

Paragraph 1 is unchanged.

In Paragraph 2, the power to regulate the taking of halibut caught incidentally to fishing for other species of fish is provided for. This has already been discussed. The word "change" is substituted for "modify" because of the following.

The provision in Article I of a definite close season and for granting powers to the International Fisheries Commission to "suspend or modify the closed season"..."As to part or all of the convention waters" is supplemented in the existing Convention by the provision in Article III of powers to "limit the catch of halibut"..."from time to time". This limitation determines the length of the open season, and the limit may be made subsequent to any given date. At the request of the fishing fleet and trade, and in order not to interfere with the economics of the industry, the open season is begun at a date which varies from year to year, now being March 1 or March 15. These dates, being later than

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February 15, which Article I specifies as the date at which fishing may begin, calls into question the exact meaning of the word "modify". This means primarily to change or alter, but carries the implication that the change should be a lessening or decrease. A later date of opening lengthens or increases the closed season, in one sense, even though a later date of closure may cause the period of closure to be less. In practice it has been found simpler and more direct to make use of the powers given in Article I to change the closed season after the limit is attained. Hence although the existing power to limit the catch is undoubtedly adequate to restrict fishing prior to any desired date, it will simplify and clarify the necessary regulations if the word "change" is substituted for "modify".

Paragraph 3 is unchanged except for the deletion of the provision regarding halibut taken incidental to fishing for other species of fish.

Paragraph 4 is altered by substituting "at any time" for "during the closed season". This is for purposes of clarification. The provision added to Article III for a date after which departure shall be forbidden leaves a certain period during which the status of vessels operated for investigation purposes by the International Fisheries Commission may be in doubt as being prior to the definite close season.

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Present Wording Article I (in part)	Proposed Wording Article I (in part)
The nationals and inhabitants and fishing vessels and boats of the United States of America and the Dominion of Canada, respectively, are hereby prohibited from fishing for halibut (Hippoglossus) both in the territorial waters and in the high seas off the western coasts of the United States of America, including the southern as well as the western coasts of Alaska, and of the Dominion of Canada, from the first day of November next after the date of the exchange of ratifications of this Convention to the fifteenth day of the following February, both days inclusive, and within the same period yearly thereafter.	The nationals and inhabitants and fishing vessels and boats of the United States of America and of the Dominion of Canada, respectively, are hereby prohibited from fishing for halibut (Hippoglossus) both in the territorial waters and in the high seas off the western coasts of the United States of America, including the southern as well as the western coasts of Alaska, and of the Dominion of Canada, from the first day of November next after the date of the exchange of ratifications of this Convention to the fifteenth day of the following February, both days inclusive, and within the same period yearly thereafter.
The International Fisheries Commission provided for by Article III is hereby empowered, subject to the	The International Fisheries Commission provided for by Article III is hereby empowered, subject to the

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approval of the President of the United States of America and of the Governor General of the Dominion of Canada, to suspend or modify the closed season provided for by this article, as to part or all of the convention waters, when it finds after investigation such changes are necessary.

approval of the President of the United States of America and of the Governor General of the Dominion of Canada, to suspend or change the closed season provided for by this article, as to part or all of the convention waters, when it finds after investigation such changes are necessary, and to permit, limit, regulate and prohibit in any area or at any time when fishing for halibut is prohibited, the taking, retention and landing of halibut caught incidentally to fishing for other species of fish and the possession during such fishing of halibut of any origin.

It is understood that nothing contained in this Convention shall prohibit the nationals or inhabitants or the fishing vessels or boats of the United States of America or of the Dominion of Canada, from fishing in the waters hereinbefore specified for other species of fish

It is understood that nothing contained in this Convention shall prohibit the nationals or inhabitants or the fishing vessels or boats of the United States of America or of the Dominion of Canada, from fishing in the waters hereinbefore specified for other species of fish during the season when fishing for halibut in such

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during the season when fishing for halibut in such waters is prohibited by this Convention or by any regulations adopted in pursuance of its provisions. Any halibut that may be taken incidentally when fishing for other fish during the season when fishing for halibut is prohibited under the provisions of this Convention or by any regulations adopted in pursuance of its provisions may be retained and used for food for the crew of the vessel by which they are taken. Any portion thereof not so used shall be landed and immediately turned over to the duly authorized officers of the Department of Commerce of the United States of America or of the Department of Marine and Fisheries of the Dominion of Canada. Any fish turned over to such officers in pursuance of the provisions of this article shall be sold by them to the highest

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bidder and the proceeds of such sale, exclusive of the necessary expenses in connection therewith, shall be paid by them into the treasuries of their respective countries.

It is further understood that nothing contained in this Convention shall prohibit the International Fisheries Commission from conducting fishing operations for investigation purposes during the closed season.

It is further understood that nothing contained in this Convention shall prohibit the International Fisheries Commission from conducting fishing operations for investigation purposes at any time.

Article II

The fact that Article I does not include all the prohibitions in the Convention necessitates the substitution of the words "this Convention or of any regulation adopted under the provisions thereof" for "the preceding article" in Article II, as quoted below.

The phrase "except within the jurisdiction of the other party" in the present text renderes the meaning of Article II as a whole doubtful. The "jurisdiction" of one party to the treaty over its own nationals extends on the high seas to the three mile limit of the other party or whatever limit may be recognized by the two nations concerned. It has therefore been questioned whether the officers of one party to the treaty may seize a vessel of the other on

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the high seas, and the article then would apply only to vessels caught in territorial waters not their own. But it is not likely that the article was intended to imply the surrender of a vessel taken within the territorial waters of one country to the courts of the other as no nation would accept such a limitation to sovereignty over its territorial waters. And even though such surrender could be construed to be the intent, the Article would then be meaningless in the case of a deep sea fishery. The proposed text would eliminate this ambiguity and allow cooperative patrol and enforcement on the high seas. This is necessary for the sake of economy on a coast so extensive as that of the convention waters.

Present Wording Article II	Proposed Wording Article II
Every national or inhabitant, vessel or boat of the United States of America or of the Dominion of Canada engaged in halibut fishing in violation <u>of the preceding article</u> may be seized except within the <u>jurisdiction</u> of the other party by the duly authorized officers of either High Contracting Party and detained by the officers making such seizure and delivered as soon as practicable to an authorized official of the country to which such person,	Every national or inhabitant, vessel or boat of the United States of America or of the Dominion of Canada engaged in halibut fishing in violation <u>of this Convention</u> or <u>of any regulations adopted under the provisions thereof</u> may be seized, except within the <u>territorial waters</u> of the other party, by the duly authorized officers of either High Contracting

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vessel or boat belongs, at the nearest point to the place of seizure, or elsewhere, as may be agreed upon. The authorities of the nation to which such person, vessel or boat belongs alone shall have jurisdiction to conduct prosecutions for the violation of the provisions of this Convention, or any regulations which may be adopted in pursuance of its provisions, and to impose penalties for such violations; and the witnesses and proofs necessary for such prosecutions, so far as such witnesses/or proofs are under the control of the other High Contracting Party, shall be furnished with all reasonable promptitude to the authorities having jurisdiction to conduct the prosecutions.

Party and detained by the officers making such seizure and delivered as soon as practicable to an authorized official of the country to which such person, vessel or boat belongs, at the nearest point to the place of seizure, or elsewhere, as may be agreed upon. The authorities of the nation to which such person, vessel or boat belongs alone shall have jurisdiction to conduct prosecutions for the violation of the provisions of this Convention, or any regulations which may be adopted in pursuance of its provisions, and to impose penalties for such violations; and the witnesses and proofs necessary for such prosecutions, so far as such witnesses or proofs are under the control of the other High Contracting Party, shall be furnished with all reasonable promptitude to the authorities having jurisdiction to conduct the prosecutions.

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Article III

The first paragraph of Article III is unaltered. The enumeration of powers in the second paragraph is changed to include one new section, called (c) in the revised text. This section provides for the setting of a last date for clearance, rather than a date of closure. It is one of the two major changes and is discussed in Section B of this report.

The remaining sections have been altered only insofar as necessitated by the above additions. Section now numbered (a) is unchanged and becomes section (a) of the proposed text. Section (b) of the present Convention is altered to make (b) of the proposed text, by a necessary reservation eliminating from the limits to be set the catches which will be landed under the proposed section allowing retention of halibut caught incidental to other fisheries. A new section is inserted, and the present section (c) becomes (d), and the word "therein" as referring to the preceding text must be changed to "in any area". Section (d) becomes (e), and is restated to clarify the text. It also provides for the collection of such statistics, the provision of vessels with such permits and such licenses as are necessary to facilitate the operation of (A) the proposed date of last clearance and (B) the proposed permits to sell halibut taken during fishing for other species.

The letters denoting the sections have therefore been altered, but the present and proposed texts are arranged opposite one another in the following:

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Present Wording	Proposed Wording
The High Contracting Parties agree to continue under this Convention the Commission as at present constituted and known as the International Fisheries Commission established by the Convention between the United States of America and His Britannic Majesty for the preservation of the halibut fishery of the Northern Pacific Ocean including Bering Sea, concluded March 2, 1923, consisting of four members, two appointed by each Party, which Commission shall make such investigations as are necessary into the life history of the halibut in the convention waters and shall publish a report of its activities from time to time. Each of the High Contracting Parties shall have power to fill, and shall fill from time to time vacancies which may occur in its representation on the Commission. Each of the High	The High Contracting Parties agree to continue under this Convention the Commission as at present constituted and known as the International Fisheries Commission, established by the Convention between the United States of America and His Britannic Majesty for the preservation of the halibut fishery of the Northern Pacific Ocean including Bering Sea, concluded March 2, 1923, consisting of four members, two appointed by each Party, which Commission shall make such investigations as are necessary into the life history of the halibut in the convention waters and shall publish a report of its activities from time to time. Each of the High Contracting Parties shall have power to fill, and shall fill from time to time vacancies which may

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Contracting Parties shall pay the salaries and expenses of its own members, and joint expenses incurred by the Commission shall be paid by the two High Contracting Parties in equal moieties.

The High Contracting Parties agree that for the purposes of protecting and conserving the halibut fishery of the Northern Pacific Ocean and Bering Sea, the International Fisheries Commission, with the approval of the President of the United States of America and of the Governor General of the Dominion of Canada, may in respect of the nationals and inhabitants and fishing vessels and boats of the United States of America and of the Dominion of Canada, from time to time,

(a) divide the convention waters into areas;

(b) limit the catch of halibut to be taken from each area;

occur in its representation on the Commission. Each of the High Contracting Parties shall pay the salaries and expenses of its own members, and joint expenses incurred by the Commission shall be paid by the two High Contracting Parties in equal moieties.

The High Contracting Parties agree that for the purposes of protecting and conserving the halibut fishery of the Northern Pacific Ocean and Bering Sea, the International Fisheries Commission, with the approval of the President of the United States of America and of the Governor General of the Dominion of Canada, may in respect of the nationals and inhabitants and fishing vessels and boats of the United States of America and of the Dominion of

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Canada, from time to time;

(a) divide the convention waters into areas;

(b) limit the catch of halibut to be taken from each area within the season during which fishing for halibut is allowed.

(c) prohibit departure of vessels from any port or place or from any receiving vessel or station, to any area or areas for halibut fishing after any date when in the judgment of the International Fisheries Commission the vessels which have departed for that area prior to that date or which are known to be fishing in that area shall suffice to catch the limit which shall have been set for the said area under section (b) of this article;

(c) fix the size and character of halibut fishing appliances to be used therein;

(d) fix the size and character of halibut fishing appliances to be used in any area.

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(d) make such regulations for the collection of statistics of the catch of halibut including the licensing and clearance of vessels, as will enable the International Fisheries Commission to determine the condition and trend of the halibut fishery by banks and areas, as a proper basis for protecting and conserving the fishery:

(e) close to all halibut fishing such portion or portions of an area or areas, as the International Fisheries Commission find to be populated by small, immature halibut.

(e) make such regulations for the licensing and departure of vessels and for the collection of statistics of the catch of halibut as it shall find necessary to determine the condition and trend of the halibut fishery and for carrying out the other provisions of this Convention.

(f) close to all halibut fishing such portion or portions of an area or areas, as the International Fisheries Commission find to be populated by small, immature halibut.

Articles IV, V and VI.

The remaining articles of the present treaty do not bear upon the needed changes. Article IV provides for the passage of proper supporting legislation. Article V specifies the term of the Convention, and that it supplants the previous conventions. In the proposed text the Convention supplanted would be that of May 9, 1930 and the corresponding change is made. Article VI provides for ratification.

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Article IV

The High Contracting Parties agree to enact and enforce such legislation as may be necessary to make effective the provisions of this Convention and any regulation adopted thereunder, with appropriate penalties for violations thereof.

Article V

The present Convention shall remain in force for a period of five years and thereafter until two years from the date when either of the High Contracting Parties shall give notice to the other of its desire to terminate it.

This Convention shall, from the date of the exchange of ratifications be deemed to supplant the Convention between the United States of America and his Britannic Majesty for the Preservation of the Halibut Fishery of the Northern Pacific Ocean including Bering Sea, concluded March 2, 1923. (May 9, 1930)

Article VI

This Convention shall be ratified in accordance with the constitutional methods of the High Contracting Parties. The ratifications shall be exchanged at Ottawa as soon as practicable, and the Convention shall come into force on the day of the exchange of ratifications.

The International Fisheries Commission recommends that the proposed new Convention be adopted without delay, as law violations are steadily and rapidly growing and a needless burden is imposed on the law abiding fishermen at present.

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E.P.M.

March 18, 37.

NOTES FOR USE ON BILL NO.

REGARDING THE HALIBUT CONVENTION SIGNED AT OTTAWA

JANUARY ~~30~~ 29, 1937

C150068

Introductory

1. It may be convenient to recall briefly the history of the Northern Pacific halibut fishery and the nature of the two earlier Conventions between Canada and the United States.

2. The fishery began to assume importance in the early nineties, when transport facilities to the eastern markets became available, and expansion was so rapid that by 1910 the evidence of serious depletion was unmistakable. This drove the fishing fleets farther and farther to the northwestern high seas. In 1917, upon receiving representations from the fishing industry, the Governments of Canada and the United States referred the problem to a joint Commission for study. Following that Commission's recommendations the first Halibut Convention between the two countries was concluded in 1923. It provided for an annual closed season of three months, and for a permanent International Fisheries Commission to study and report upon further measures for the preservation of the fishery. After some years of intensive study, and upon the permanent Commission's recommendation, a second Convention was entered into in 1930, the new purpose being to add to the Commission's research functions certain powers of regulation. This second Convention was approved by a Resolution of Parliament (See Hansard: House of Commons, May 27, 1930, p. 2632; Senate, May 28, 1930, p. 342). Under this 1930

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Convention - which completely replaced the 1923 Convention and is in force today - regulations may be made -

(a) to divide the Convention waters into areas (this including the high seas off the western coasts of the two countries);

(b) to limit the halibut catch for each area;

(c) to regulate halibut fishing appliances;

(d) to regulate the collection of statistics and the licensing and clearance of vessels;

(e) to close areas populated by small, immature halibut.

All regulations proposed by the Commission require the approval of the two Governments before they can be effective and are therefore to be regarded, not as regulations made by the Commission, but as regulations made by the respective Governments.

The new Convention signed at Ottawa, Jan. 30/37

3. The experience gained by the International Fisheries Commission during the years since the 1930 Convention came into force has disclosed certain defects in the existing procedure, and in their report to the two Governments of January 1936 the Commission made specific recommendations for new provisions to remedy these defects. For this purpose the Commission submitted a draft of a new Convention. It was considered that a complete new document, replacing the existing one and incorporating the new amendments, would prove a more convenient procedure than the conclusion of a supplementary Convention. After careful consideration the two Governments decided to adopt the Commission's recommendations,

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and accordingly they signed at Ottawa, on January 29th last, the new Convention which is set out in the schedule to the Bill.

4. As recommended by the Commission this 1937 Convention will, if ratified, supplant the existing Convention of 1930. This follows the procedure of 1930, when the 1923 Convention was completely replaced. The 1937 Convention incorporates, however, all the provisions of the 1930 Convention except to the extent of the few amendments which were recommended by the Commission. (It may be noted here that the Commission, upon consulting the fishing fleets concerned, found that they largely urged the revision; indeed the changes originated with the fishing fleet as being desirable to facilitate their operations and the enforcement of the law.)

5. The amendments do not establish any new principle. Their purpose is, in two main particulars where the Commission had found results somewhat unsatisfactory, to improve the carrying out of the original underlying purpose, namely, the preservation and extension of this great fishery. In other words, they may be regarded as amendments of administrative procedure.

6. The first main amendment concerns the circumstance that during the closed halibut season fishermen may, in halibut areas, fish for other species of fish and that in so doing they may incidentally catch some halibut. Under the existing Convention halibut caught incidentally in this manner may be retained and used for food for the crew of the fishing vessel; but any portion not so used must be landed and turned over to the proper officers of the two Governments, who sell them to the highest bidder and pay the proceeds into the respective public treasuries.

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The Commission found that, since fishermen object to throwing away good halibut caught in this manner (which is in fact a waste of good fish), there has been considerable violation of the law. It also appears that fishing for less valuable varieties of deep sea fish, such as black cod and red cod, would likely be encouraged if regulations could be made to permit the fishermen under certain conditions to retain such halibut as may be caught incidentally. The Commission, in their report, sum this aspect up by stating that -

> "The existing provisions are therefore, in effect, penalties on the honest fisherman without restraining the dishonest, and are productive of wastage of needed food, when there is no good reason why such small quantities of halibut, probably not exceeding 150,000 pounds for the whole fleet, might not be made legitimate, certainly during the season when halibut is being taken on other parts of the coast".

Accordingly, as recommended by the Commission, the retention by the fishermen of halibut incidentally caught is being made lawful, subject to such limitations and prohibitions as the Commission may prescribe with the approval of the two Governments. The new wording in this respect will be found at the end of the second paragraph of Article 1 of the new Convention.

7. The second main amendment concerns a practical detail as to the method of fixing the limits of the closed season. The Convention, in its general scheme, lays down a certain closed season - from November 1st

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to February 15th - but gives the Commission power, subject to approval by the two Governments, to suspend or change this season. Under the existing Convention, however, it is possible only to fix the date when halibut fishing must cease in any year. The result is that a vessel may be out on the fishing bank with only a part of its normal load taken when the closure date arrives. If fishing is stopped then, the voyage will entail a loss to the fishermen, while if the vessel remains to fill up a violation of the law occurs. Halibut vessels must leave port well in advance of closure in order to reach the fishing grounds, and after ceasing to fish they may take a week or more in returning to port. The Commission after pointing out that it is difficult to detect law violations by patrol along a broken coast of over 2,000 miles, sum up their opinion on this aspect as follows:

"The present condition is again one that penalizes the honest fisherman when there is no need. There is again no reason why a full normal last trip cannot be allowed the honest fisherman as well as the man who breaks the law to get it. This can be done by setting a date for last departure for fishing in any area which is to be closed. As at present, this date can be forecast approximately and warning given in order that all may have equal opportunity to adapt their movements to it, but the setting of such a date would allow a normal trip for all vessels which have been in time to depart."

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Accordingly, as thus recommended, the new Convention, instead of authorising the Commission to fix a date for the cessation of fishing, authorises it periodically to fix a date for the last departure of fishing vessels for any fishing area concerned. This provision will be found in sub-paragraph (c) of Article 3.

8. A few other slight amendments are incorporated in the new Convention. They are drafting amendments introduced either in consequence of the two main amendments above described or for purposes of greater clarity. These may be noted as follows:

(a) In Article 1, second paragraph, the word "change" is substituted for the word "modify" in defining the powers of the Commission and Governments relating to the closed season.

(b) In Article 1, fourth paragraph, it is provided that the Commission may conduct fishing operations for investigation purposes "at any time", instead of simply "during the closed season".

(c) In Article 2 some slight changes of a purely drafting nature have been made, but they do not affect the original intention in any way.

(d) In Article 3, second paragraph, the introduction of the new sub-section (c) - already explained in paragraph 7 above - regarding the fixing of the date for the last departure of vessels for the fishing grounds, has necessitated a re-numbering of the sub-sections. In the old sub-section (b) there

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have been added the words "within the season during which fishing for halibut is allowed" - this being a necessary reservation on account of the new provision (explained in paragraph 6 above) allowing the retention of halibut caught incidentally while fishing for other species. In the new sub-section (d) the words "in any area" replace the word "therein" - this being a drafting clarification. The new sub-section (e) represents a clarification of the old sub-section (d).

9. Some reference to the results of this international system of control may be appropriate. Since regulation began in 1931 there has been general recognition of the success being achieved. The decline in production on the older banks has been brought to an end; indeed, on these banks, the catch per unit of gear has increased about 80% above the low of 1930. The percentage of immature halibut entering the catches is definitely diminishing. The fishing vessels generally are able to fill up in shorter time. The Commission report evidence that a greater number of mature fish are available for reproduction purposes. The Commission have also indicated the view that it is only a matter of the time necessary to allow the increased young on the banks to reach a marketable size, before the annual catch limitations can be extended.

10. This Northern Pacific halibut fishery is one of the world's great sources of human food. Other halibut fisheries in other parts of the world have been seriously depleted or nearly exhausted. Other kinds of fisheries are in like danger. In such circumstances the results

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attained by this joint action between two neighbour nations are notable. It seems obvious that both countries should make every effort to improve the system of regulation and to prevent any development which might imperil the orderly preservation and extension of the fishery under scientific supervision.

Bill No.

11. The existing legislation on this subject is the Northern Pacific Halibut Fishery Protection Act, Cahpter 75 of the Revised Statutes of Canada, 1927. The Government were advised that this Act is not fully adequate to enable the new Convention to be carried out. Accordingly it is proposed to repeal that Act and to enact the provisions set out in this Bill concerning which further notes are added.

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E. A. PICKERING TO O. D. SKELTON

C150076

HALIBUT FISHERIES TREATY

Ottawa, March 25, 1937.

MEMORANDUM FOR DR. SKELTON:

Notice of Motion re Halibut Convention

I have discussed the resolution with Dr. Beauchesne. The wording which you gave me this morning is in accordance with the usual form.

Mr. Christie pointed out that the Bill will constitute new legislation, not merely an amendment to existing legislation.

As the measure will provide for salaries to commissioners, etc., it is necessary to precede the Bill with a resolution. A resolution of this character is discussed in committee of the whole; hence the heading at the top of the resolution, attached, which I have sent over to Dr. Beauchesne for inclusion in today's Votes and Proceedings.

Attached, also, is a list of the various formulae for Mr. King to use in the various stages.

E. A. P.

P/MP

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RESOLUTION RE HALIBUT CONVENTION

Formula for Prime Minister's Use

1. When the item is called under Government Notice of Motions: "I move that the Speaker do now leave the chair, for the House to go into Committee of the Whole on the said Resolution. His Excellency the Governor General, having been informed of the subject matter of this Resolution, is pleased to recommend it to the favourable consideration of the House".

2. When the discussion is completed: "I move that the Committee report the Resolution".

3. When the Resolution has been reported: "I move that the Resolution be now read a second time and be concurred in".

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L.C. CHRISTIE TO E.A. PICKERING

C150078

March 31, 1937.

HALIBUT FISHERIES TREATY

Memorandum for Mr. Pickering:

NOTICE OF MOTION RE HALIBUT CONVENTION

I have just seen your memorandum of March 25th for Dr. Skelton, and then looked at the Order Paper.

Unfortunately in drafting the Motion the same mistake, as to the date of the Convention, was made as in the case of the memorandum, which I mentioned to you yesterday over the telephone.

As I said then, the Convention was signed at Ottawa on the 29th day of January 1937, not the 30th.

I suppose some kind of formality will be necessary to make the correction, and presumably Dr. Beauchesne can advise as to this.

L.C. Christie

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one copy sent to 212,
one copy sent to Mr. Christie.

C150079

Ottawa, March 31st, 1937.

MEMORANDUM FOR THE PRIME MINISTER:

Re: Notice of Motion re Halibut Convention

Mr. Christie has directed my attention to the fact that in drafting this Motion an error was made as to the date on which the Convention was signed. It was signed on the 29th of January, not on the 30th, as indicated in the Notice of Motion.

Dr. Beauchesne states that all that will be necessary to correct the error will be for you to mention it when you make the Motion and at that time request the Clerk to change the date to the 29th of January.

E. A. P.

E/E

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OFFICE OF THE PRIME MINISTER
CANADA

K-659
1937
C150080

Ottawa, March 31st, 1937.

MEMORANDUM FOR THE PRIME MINISTER:

Re: Notice of Motion re Halibut Convention

Mr. Christie has directed my attention to the fact that in drafting this Motion an error was made as to the date on which the Convention was signed. It was signed on the 29th of January, not on the 30th, as indicated in the Notice of Motion.

Dr. Beauchesne states that all that will be necessary to correct the error will be for you to mention it when you make the Motion and at that time request the Clerk to change the date to the 29th of January.

E. A. P.

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April 8, 1937.

C150081

RE BILL 90 - HALIBUT CONVENTION

MR. NEILL'S POINT REGARDING BRITISH GOVERNMENT RAISED ON APRIL 1ST

Mr. Neill referred to the original Halibut Convention of 1923 and said that when it was ratified an understanding was reached that the Convention would apply to the citizens and ships of Great Britain as well as Canada.

This is not so. The United States Senate proposed a reservation having this effect, but the Canadian Government refused to ratify on that basis, and the following year the United States withdrew its reservation and the Convention was ratified without qualification.

Mr. Neill suggested that the consent of Great Britain be obtained to the new Convention in order to prevent British mother ships from invading our Pacific coast waters.

As the Prime Minister intimated on April 1st (page 2595 of Hansard), it is desirable to cover not only cases of British ships but of ships from other countries as well. This has been done in Section 9, subsection (3) of the Bill.

The case for this subsection is stated at greater length on pages 7 to 9 and also on page 13 of the accompanying memorandum of April 1st.

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April 1, 1937.

C150082

RE HALIBUT CONVENTION SIGNED AT OTTAWA, JANUARY 29, 1937.

BILL INTRODUCED IN THE HOUSE OF COMMONS, APRIL 1, 1937.

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1. The purpose of the proposed legislation is to confirm the new Halibut Convention, which was signed at Ottawa on January 29, 1937, in order that ratifications may be exchanged, and also to provide the necessary measures to make the provisions of the Convention effective. The Convention is set out in the Schedule to the Bill. The purpose and scope of the Convention have been dealt with in a memorandum dated March 18th. It remains to furnish some notes, more particularly concerning the Bill itself.

As to the General Principle of the Bill

2. So far as the question of the principle of the Bill itself is concerned, there appears to be little room for discussion. By Article 4 of the new Convention (just as in the case of the earlier Conventions), "Canada is bound to enact and enforce such legislation as may be necessary to make effective the provisions of this Convention and any regulations adopted thereunder, with appropriate penalties for violations thereof". So that, if the House agrees that the now fourteen-year-old scheme for the preservation of the Pacific halibut fishery, by international co-operation between Canada and the United States,

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should be continued, subject to the minor administrative improvements contemplated by the new Convention, then there remains nothing but to accept the principle of the Bill, subject to such points as may arise upon individual clauses. Furthermore, in principle, the Bill represents nothing more than a re-enactment of existing legislation, nmely, the Northern Pacific Halibut Fishery Protection Act (Chapter 75 of the Revised Statutes of Canada, 1927). The necessity for new legislation arises simply from the fact that the Government are advised that Chapter 75 is not wholly adequate to enable the effective carrying out of the two new administrative amendments of the halibut preservation scheme,which are incorporated in the new Convention. In these circumstances the broad conclusion seems to be that, so far as the principle of the Bill and the second reading are concerned, the discussion would be in reality a discussion of the principle and merits of the new Convention. From that point of view the question of principle may be still further narrowed; since, it will be recalled, the new Convention itself really introduces no new principle into this long established international scheme of halibut preservation. On the contrary it merely provides for two amendments for improving the administration of the scheme, which have been recommended to the two Governments by the International Fisheries Commission - as more fully explained in the memorandum of March 18th.

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As to Details of the Bill

3. As already indicated, the existing legislation - Chapter 75 of the Revised Statutes - is considered not wholly adequate to make the new Convention effective. This inadequacy arises principally because of the new arrangement for dealing with the case where fishermen, during the closed halibut season, are fishing for other species of fish and, in so doing, incidentally catch some halibut. It will be recalled that under the existing Convention (now being replaced) halibut caught incidentally in this manner may be retained and used for food for the crew of the fishing vessel; but any portion not so used must be landed and turned over to the proper officers of the two Governments, who sell them for the account of the respective public treasuries (see paragraph 6 of memorandum of March 18th). Under the new Convention, however, it is being made lawful for fishermen to retain halibut so caught incidentally, subject to regulations to be made by the Commission with the approval of the two Governments ~~(as recommended by the Commission)~~. The existing legislative position is that section 6 of Chapter 75 makes it an offence to retain halibut so caught incidentally, and its wording is so rigid that it cannot be adapted to the purpose of this provision of the new Convention. Therefore new legislation is necessary.

4. Since new legislation is necessary in any case, it has been considered desirable at the same time to propose a few readjustments and rearrangements of the existing legislation, in the interests of

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clarity and the more effective carrying out of the underlying purpose - which is to preserve this great fishery. (These changes will be noted below.) Accordingly, rather than propose a simple amendment of Chapter 75, it is proposed, as the more convenient procedure, to replace Chapter 75 completely, in a manner which will substantially re-enact its provisions and incorporate the appropriate amendments and readjustments already referred to.

Sections of the Bill

5. Section 2. This is the interpretation section. So far as this differs from the interpretation section of Chapter 75, the differences are mainly consequential upon the fact that there is now a new Convention and that it is to be expressly mentioned and confirmed by legislation. It is also thought well to recognize specifically in this section the International Fisheries Commission and its statutory basis.

6. Section 3. This provides the customary language for statutory confirmation of our international engagements. The new Convention is expressly covered by way of reference to the Schedule, where it is set out in full.

7. Section 4. This is the customary provision to guard against the purposes of the new Convention and new legislation being defeated by some unthought of provision in other statutes. There was no such provision in Chapter 75 - the Northern Pacific Halibut Fishery Protection Act.

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8. Section 5. This re-enacts section 3 of Chapter 75. It makes available, for the enforcement of the new Convention, the official machinery and organization which has been established by the Customs and Fisheries Protection Act for the protection of our fisheries generally. The sections of that Act here made available are those which authorize the officers of our fisheries protection service, and certain other officers, to board and search vessels, under certain conditions, and which define certain offences respecting fishing, and provide for penalties and forfeitures, as well as for the procedure to be observed in these connections.

9. Section 6. This section provides for substantially the same objects as were covered by section 4 of Chapter 75, now being replaced. The section can now be framed in much briefer form because, on this occasion, the Convention itself is being incorporated and fully set out in the Bill. It will be noted that this new section proposes to authorize the Governor in Council to "do such things" as may be necessary for the carrying out of the Convention. This is a common precaution to take care of various things which could not appropriately be regarded as matters for "regulations" (these being dealt with in section 9 below), and which could not easily be specified in advance - e.g., the possible assignment of Government ships, or other administrative facilities of other departments, which might turn out to be useful in implementing the underlying purpose of preserving the fishery. This purpose would

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naturally constitute the implied limitation upon the discretion of the Governor in Council. So far as arrangement is concerned, this section comes appropriately just before section 7, which provides for salaries and expenses. It would not seem appropriate to join this section with section 9 below, since the latter is concerned with action of the Governor in Council which gives rise to punishable offences.

10. Section 7. This section re-enacts sub-section (3) of section 4 of Chapter 75.

11. Section 8. This section is substanitally identical with section 6 of the old Chapter 75.

12. Section 9. This section provides for the "orders and regulations" which the Governor in Council is to pass in order to make the Convention effective. (As already noted, this is a different function from that of making appointments and doing other administrative things, which are covered by section 6, as noted above.)

13. Subsections (1), (2) and (5) of section 9 constitute, in effect, a re-enactment of the provisions of section 5 of the old Chapter 75, though the drafting is somewhat different.

14. Subsection (4) of section 9 (which provides that orders or regulations may be rescinded, revoked, amended, or varied) is inserted as a precaution in view of some doubts as to the meaning of the Interpretation Act.

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15. Subsection (6) of section 9 requires that orders and regulations must be published in the Canada Gazette - a requirement that was not made by the old Chapter 75.

16. Subsection (3) of section 9. This represents one of the few alterations of, or additions to, the provisions of the existing legislation. It may be regarded as of some importance. For two decades now Canada and the United States have been co-operating in a joint effort to preserve this great halibut fishery. They have, by means of the International Fisheries Commission set up and continued by three successive Conventions, carried out prolonged investigations and have evolved, jointly, a scheme to preserve the fishery. Fishermen on the West coast of both countries have co-operated in this scheme. The efforts have been successful, so that, not only has the threatened annihilation of this fishery been arrested, but the fishery is now on the increase (see paragraph 9 of memorandum of March 18th). This scheme of international regulation applies to the nationals and vessels of Canada and the United States. It applies to them whether they are in territorial waters or on the high seas. Hitherto this has been sufficient. Now there appear to be indications that fishermen from other, and distant, countries might invade this fishery. This could be done by what are called "mother ships" - i.e., large steamships which constitute floating refrigerators or canneries and which, by using small fishing boats as tenders, can station themselves in any area of the seas, and, after

Re invasions by other countries by use of "mother ships"

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C150089

filling up to capacity, can take their huge cargo of fish, properly preserved, back to their own country and throw it on the market. If this kind of operation were carried out off our Western coasts, the joint conservation arrangement, embodied and continued in this new Convention, would be defeated. The arrangement works by dividing the Convention waters (both territorial and high seas) into areas, and by fixing yearly total quotas or quantities which may be taken from the respective areas. If vessels from other countries should enter these areas on a large scale, it would be impracticable to ask our own fishermen to continue exercising the self-denial which they have been exercising with such great benefits to the fishery. It is easy enough to control anybody so far as our territorial waters are concerned. But the mother ships would operate in the high seas, and the problem is not so simple, because they would belong to countries not parties to the Convention. This subsection (3) of section 9 of the Bill is proposed in the hope that it may be available to prevent the destruction of this fishery, and of this international co-operative undertaking, by such means as have been described. Naturally the proposed powers would have to be exercised with circumspection if the occasion arose. They might never have to be exercised. But, having regard for the importance of this great conservation measure, for the magnitude of the fishery which has now been built up at the joint expense of Canada and the United and by the co-operation and self-denial of the fishing industry in both countries, for the duty which we owe to our partner in this international conservation project, it does seem that the

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C150030

Government should ask for powers to enable them to attempt to deal with this situation. This new Halibut Convention, signed at Ottawa on January 29th last, has been confirmed by the United States Senate, which, on March 23rd, passed a Resolution giving its advice and consent to the ratification of the Convention; and this week, on March 29th, the President gave his formal approval. The United States, therefore, are in a position to exchange ratifications. The Government are further advised that last week, on March 25th, a Bill was introduced into the United States Senate to make the necessary provisions for making the Convention effective - that is to say, a Bill corresponding to the present Bill here. In that Bill, now before the United States Senate, there are specific provisions designed to carry out the same object as the Government are now proposing in subsection (3) of section 9 here. (See especially section 3, sub-paragraphs (b) and (d) of Senate Bill 1984, 75th Congress, First Session.) It is understood that this Senate Bill has the full approval of the administration in Washington (in fact, though it is probably not permissible to say so, our Minister in Washington has reported that the Senate Bill was drafted by the U.S. State Department in consultation with their Bureau of Fisheries and Treasury Department - see despatch No. 299 of March 27, 1937).

17. Section 10. This section re-enacts section 7 of the existing legislation (i.e., Chapter 75 of the Revised Statutes) with the necessary consequential drafting alterations.

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18. Section 11. This represents a minor addition. It covers specifically the case of the landing, or attempting to land, of halibut unlawfully caught.

19. Section 12. This, in substance, represents a re-enactment and drafting rearrangement of the provisions of sections 8 and 9 of Chapter 75.

20. Section 13. This substantially re-enacts section 10 of Chapter 75, and, at the same time, adds a reference to the unlawful retention of halibut. This addition takes care of the new provision of the Convention which, in certain circumstances, will allow fishermen to retain halibut caught incidentally while they are fishing for other species of fish. In this regard they will be subject to regulations and conditions to be proposed by the Commission. If they retain the halibut in a manner contrary to the regulations, the retention will be unlawful and therefore an offence. In effect, this part of the new section 13 is a substitution for subsection (2) of section 6 of Chapter 75.

21. Section 14. Subsection (1) re-enacts section 11 of Chapter 75, with the addition of the reference to contraventions of regulations. In effect this subsection represents a substitution for subsection (2) of section 5 of Chapter 75. It seems preferable, in that now Parliament will declare a contravention of the regulations to be an offence; whereas the old section, in effect, provides that the regulations themselves might declare certain things to be offences

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and provide penalties. Subsection (2) of the new section 14 provides for certain procedural aspects of the forfeiture of halibut unlawfully caught.

22. Section 15. This provides for the repeal of the existing legislation (i.e., the Northern Pacific Halibut Fishery Protection Act, Chapter 75 of the Revised Statutes), which it is proposed to replace by the provisions of the present Bill.

23. Section 16. This section corresponds to section 12 of the Northern Pacific Halibut Fishery Protection Act. In the present case, however, it appears desirable to delay the coming into force of the new legislation until after the proposed exchange of ratifications of the new Convention; while, for reasons of administrative necessity, it might be expedient that the legislation should continue in force for a brief period after the termination of the Convention, if it should be terminated.

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24. In preparing the Bill some discussion arose on a rather special drafting point. It may be unnecessary to raise the point in presenting the Bill, but it may be explained in case it should be raised. One draft proceeded upon the formal basis that the regulations themselves of the International Fisheries Commission (subject always to their being approved by the Governor in Council and the President of the U.S.,

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as contemplated in the Convention) should have the force of law in Canada. This Bill, however, proposes, in point of form, that the regulations which shall have force of law shall be regulations made directly by the Governor in Council (though they will be designed to give effect to the proposals of the Commission to the same extent as under the other formula). There seems to be no substantial difference in practical effect (the Governor in Council would make his regulations contingent upon the President approving the same proposals); but, as a matter of policy in the international field, it is felt preferable to choose the present formula. Under it the regulations (contraventions of which will constitute offences) will formally appear as issuing from the customary source in our national organisation, namely, the Governor in Council. Without further and full consideration it would appear questionable to adopt a form under which the character of criminality would appear to be given to contraventions of regulations issued by an international organisation. The Justice Department have indicated that the form here adopted is fully effective to carry out the Convention and that there is no objection to it, if as a matter of policy it should be preferred. And if it is effective to carry out the Convention it fulfils, of course, our obligation under Article IV of the Convention.

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P.S.

As regards subsection (3) of section 9 - the mother ship provision, noted in paragraph 16 above - a question has been raised whether this provision might not violate the British Commonwealth Merchant Shipping Agreement of 1931, under which each member of the Commonwealth grants national treatment to the ships of other members and treatment not less favourable than it grants to foreign ships. The suggestion is that this subsection contemplates Canada granting to United States ships more favourable treatment than that granted to other countries' ships. In the first place this is simply enabling legislation. No other country can complain about this provision yet. If action should be taken under it a question might arise. But it is impossible to say now that the action would, in reality, constitute a discrimination. It might turn out that the action taken would, in effect, be no worse against the outside ship than the restrictions which, by the Convention, are to be imposed on Canadian ships and United States ships. The circumstances might turn out to be such that no other country would feel morally in a position to raise any question about the action taken which would be designed to conserve this great source of human food.

Re Section 9, Subsec (3) — invasions by other Countries

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J. Skelton

re Halibut Bill C150095

Herewith -
Notes prepared for P.M.'s use
and
U.S. Senate Bill
(extra copy of notes)

Pickering said last evening the
P.M. would like to have the
stuff this morning

L.C.C.
2.III.37
[Apr.?]

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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April 1, 1937.

C150096

RE HALIBUT CONVENTION SIGNED AT OTTAWA, JANUARY 29, 1937.

BILL INTRODUCED IN THE HOUSE OF COMMONS, APRIL 1, 1937.

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1. The purpose of the proposed legislation is to confirm the new Halibut Convention, which was signed at Ottawa on January 29, 1937, in order that ratifications may be exchanged, and also to provide the necessary measures to make the provisions of the Convention effective. The Convention is set out in the Schedule to the Bill. The purpose and scope of the Convention have been dealt with in a memorandum dated March 18th. It remains to furnish some notes, more particularly concerning the Bill itself.

As to the General Principle of the Bill

2. So far as the question of the principle of the Bill itself is concerned, there appears to be little room for discussion. By Article 4 of the new Convention (just as in the case of the earlier Conventions), "Canada is bound to enact and enforce such legislation as may be necessary to make effective the provisions of this Convention and any regulations adopted thereunder, with appropriate penalties for violations thereof". So that, if the House agrees that the now fourteen-year-old scheme for the preservation of the Pacific halibut fishery, by international co-operation between Canada and the United States,

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should be continued, subject to the minor administrative improvements contemplated by the new Convention, then there remains nothing but to accept the principle of the Bill, subject to such points as may arise upon individual clauses. Furthermore, in principle, the Bill represents nothing more than a re-enactment of existing legislation, namely, the Northern Pacific Halibut Fishery Protection Act (Chapter 75 of the Revised Statutes of Canada, 1927). The necessity for new legislation arises simply from the fact that the Government are advised that Chapter 75 is not wholly adequate to enable the effective carrying out of the two new administrative amendments of the halibut preservation scheme, which are incorporated in the new Convention. In these circumstances the broad conclusion seems to be that, so far as the principle of the Bill and the second reading are concerned, the discussion would be in reality a discussion of the principle and merits of the new Convention. From that point of view the question of principle may be still further narrowed; since, it will be recalled, the new Convention itself really introduces no new principle into this long established international scheme of halibut preservation. On the contrary it merely provides for two amendments for improving the administration of the scheme, which have been recommended to the two Governments by the International Fisheries Commission - as more fully explained in the memorandum of March 18th.

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As to Details of the Bill

3. As already indicated, the existing legislation - Chapter 75 of the Revised Statutes - is considered not wholly adequate to make the new Convention effective. This inadequacy arises principally because of the new arrangement for dealing with the case where fishermen, during the closed halibut season, are fishing for other species of fish and, in so doing, incidentally catch some halibut. It will be recalled that under the existing Convention (now being replaced) halibut caught incidentally in this manner may be retained and used for food for the crew of the fishing vessel; but any portion not so used must be landed and turned over to the proper officers of the two Governments, who sell them for the account of the respective public treasuries (see paragraph 6 of memorandum of March 18th). Under the new Convention, however, it is being made lawful for fishermen to retain halibut so caught incidentally, subject to regulations to be made by the Commission with the approval of the two Governments, ~~(as recommended by the Commission)~~. The existing legislative position is that section 6 of Chapter 75 makes it an offence to retain halibut so caught incidentally, and its wording is so rigid that it cannot be adapted to the purpose of this provision of the new Convention. Therefore new legislation is necessary.

4. Since new legislation is necessary in any case, it has been considered desirable at the same time to propose a few readjustments and rearrangements of the existing legislation, in the interests of

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C150099

clarity and the more effective carrying out of the underlying purpose - which is to preserve this great fishery. (These changes will be noted below.) Accordingly, rather than propose a simple amendment of Chapter 75, it is proposed, as the more convenient procedure, to replace Chapter 75 completely, in a manner which will substantially re-enact its provisions and incorporate the appropriate amendments and readjustments already referred to.

Sections of the Bill

5. Section 2. This is the interpretation section. So far as this differs from the interpretation section of Chapter 75, the differences are mainly consequential upon the fact that there is now a new Convention and that it is to be expressly mentioned and confirmed by legislation. It is also thought well to recognize specifically in this section the International Fisheries Commission and its statutory basis.

6. Section 3. This provides the customary language for statutory confirmation of our international engagements. The new Convention is expressly covered by way of reference to the Schedule, where it is set out in full.

7. Section 4. This is the customary provision to guard against the purposes of the new Convention and new legislation being defeated by some unthought of provision in other statutes. There was no such provision in Chapter 75 - the Northern Pacific Halibut Fishery Protection Act.

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8. Section 5. This re-enacts section 3 of Chapter 75. It makes available, for the enforcement of the new Convention, the official machinery and organization which has been established by the Customs and Fisheries Protection Act for the protection of our fisheries generally. The sections of that Act here made available are those which authorize the officers of our fisheries protection service, and certain other officers, to board and search vessels, under certain conditions, and which define certain offences respecting fishing, and provide for penalties and forfeitures, as well as for the procedure to be observed in these connections.

9. Section 6. This section provides for substantially the same objects as were covered by section 4 of Chapter 75, now being replaced. The section can now be framed in much briefer form because, on this occasion, the Convention itself is being incorporated and fully set out in the Bill. It will be noted that this new section proposes to authorize the Governor in Council to "do such things" as may be necessary for the carrying out of the Convention. This is a precaution to take care of various things which could not appropriately be regarded as matters for "regulations" (these being dealt with in section 9 below), and which could not easily be specified in advance - e.g., the possible assignment of Government ships, or other administrative facilities of other departments, which might turn out to be useful in implementing the underlying purpose of preserving the fishery. This purpose would

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naturally constitute the implied limitation upon the discretion of the Governor in Council. So far as arrangement is concerned, this section comes appropriately just before section 7, which provides for salaries and expenses. It would not seem appropriate to join this section with section 9 below, since the latter is concerned with action of the Governor in Council which gives rise to punishable offences.

10. Section 7. This section re-enacts subsection (3) of section 4 of Chapter 75.

11. Section 8. This section is substanitally identical with section 6 of the old Chapter 75.

12. Section 9. This section provides for the "orders and regulations" which the Governor in Council is to pass in order to make the Convention effective. (As already noted, this is a different function from that of making appointments and doing other administrative things, which are covered by section 6, as noted above.)

13. Subsections (1), (2) and (5) of section 9 constitute, in effect, a re-enactment of the provisions of section 5 of the old Chapter 75, though the drafting is somewhat different.

14. Subsection (4) of section 9 (which provides that orders or regulations may be rescinded, revoked, amended, or varied) is inserted as a precaution in view of some doubts as to the meaning of the Interpretation Act.

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C150102

15. Subsection (6) of section 9 requires that orders and regulations must be published in the Canada Gazette - a requirement that was not made by the old Chapter 75.

16. Subsection (3) of section 9. This represents one of the few alterations of, or additions to, the provisions of the existing legislation. It may be regarded as of some importance. For two decades now Canada and the United States have been co-operating in a joint effort to preserve this great halibut fishery. They have, by means of the International Fisheries Commission set up and continued by three successive Conventions, carried out prolonged investigations and have evolved, jointly, a scheme to preserve the fishery. Fishermen on the West coast of both countries have co-operated in this scheme. The efforts have been successful, so that, not only has the threatened annihilation of this fishery been arrested, but the fishery is now on the increase (see paragraph 9 of memorandum of March 18th). This scheme of international regulation applies to the nationals and vessels of Canada and the United States. It applies to them whether they are in territorial waters or on the high seas. Hitherto this has been sufficient. Now there appear to be indications that fishermen from other, and distant, countries might invade this fishery. This could be done by what are called "mother ships" - i.e., large steamships which constitute floating refrigerators or canneries and which, by using small fishing boats as tenders, can station themselves in any area of the seas, and, after

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C150104

Government should ask for powers to enable them to attempt to deal with this situation. This new Halibut Convention, signed at Ottawa on January 29th last, has been confirmed by the United States Senate, which, on March 23rd, passed a Resolution giving its advice and consent to the ratification of the Convention; and this week, on March 29th, the President gave his formal approval. The United States, therefore, are in a position to exchange ratifications. The Government are further advised that last week, on March 25th, a Bill was introduced into the United States Senate to make the necessary provisions for making the Convention effective - that is to say, a Bill corresponding to the present Bill here. In that Bill, now before the United States Senate, there are specific provisions designed to carry out the same object as the Government are now proposing in subsection (3) of section 9 here. (See especially section 3, sub-paragraphs (b) and (d) of Senate Bill 1984, 75th Congress, First Session.) It is understood that this Senate Bill has the full approval of the administration in Washington (in fact, though it is probably not permissible to say so, our Minister in Washington has reported that the Senate Bill was drafted by the U.S. State Department in consultation with their Bureau of Fisheries and Treasury Department - see despatch No. 299 of March 27, 1937).

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C150105

18. Section 11. This represents a minor addition. It covers specifically the case of the landing, or attempting to land, of halibut unlawfully caught.

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20. Section 13. This substantially re-enacts section 10 of Chapter 75, and, at the same time, adds a reference to the unlawful retention of halibut. This addition takes care of the new provision of the Convention which, in certain circumstances, will allow fishermen to retain halibut caught incidentally while they are fishing for other species of fish. In this regard they will be subject to regulations and conditions to be proposed by the Commission. If they retain the halibut in a manner contrary to the regulations, the retention will be unlawful and therefore an offence. In effect, this part of the new section 13 is a substitution for subsection (2) of section 6 of Chapter 75.

21. Section 14. Subsection (1) re-enacts section 11 of Chapter 75, with the addition of the reference to contraventions of regulations. In effect this subsection represents a substitution for subsection (2) of section 5 of Chapter 75. It seems preferable, in that now Parliament will declare a contravention of the regulations to be an offence; whereas the old section, in effect, provides that the regulations themselves might declare certain things to be offences

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C150106

and provide penalties. Subsection (2) of the new section 14 provides for certain procedural aspects of the forfeiture of halibut unlawfully caught.

22. Section 15. This provides for the repeal of the existing legislation (i.e., the Northern Pacific Halibut Fishery Protection Act, Chapter 75 of the Revised Statutes), which it is proposed to replace by the provisions of the present Bill.

23. Section 16. This section corresponds to section 12 of the Northern Pacific Halibut Fishery Protection Act. In the present case, however, it appears desirable to delay the coming into force of the new legislation until after the proposed exchange of ratifications of the new Convention; while, for reasons of administrative necessity, it might be expedient that the legislation should continue in force for a brief period after the termination of the Convention, if it should be terminated.

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24. In preparing the Bill some discussion arose on a rather special drafting point. It may be unnecessary to raise the point in presenting the Bill, but it may be explained in case it should be raised. One draft proceeded upon the formal basis that the regulations themselves of the International Fisheries Commission (subject always to their being approved by the Governor in Council and the President of the U.S.,

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C150107

as contemplated in the Convention) should have the force of law in Canada. This Bill, however, proposes, in point of form, that the regulations which shall have force of law shall be regulations made directly by the Governor in Council (though they will be designed to give effect to the proposals of the Commission to the same extent as under the other formula). There seems to be no substantial difference in practical effect (the Governor in Council would make his regulations contingent upon the President approving the same proposals); but, as a matter of policy in the international field, it is felt preferable to choose the present formula. Under it the regulations (contraventions of which will constitute offences) will formally appear as issuing from the customary source in our national organisation, namely, the Governor in Council. Without further and full consideration it would appear questionable to adopt a form under which the character of criminality would appear to be given to contraventions of regulations issued by an international organisation. The Justice Department have indicated that the form here adopted is fully effective to carry out the Convention and that there is no objection to it, if as a matter of policy it should be preferred. And if it is effective to carry out the Convention it fulfils, of course, our obligation under Article IV of the Convention.

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C150109

P.S. As regards subsection (3) of section 9 - the mother ship provision, noted in paragraph 16 above - a question has been raised whether this provision might not violate the British Commonwealth Merchant Shipping Agreement of 1931, under which each member of the Commonwealth grants national treatment to the ships of other members and treatment not less favourable than it grants to foreign ships. The suggestion is that this subsection contemplates Canada granting to United States ships more favourable treatment than that granted to other countries' ships. In the first place this is simply enabling legislation. No other country can complain about this provision yet. If action should be taken under it a question might arise. But it is impossible to say now that the action would, in reality, constitute a discrimination. It might turn out that the action taken would, in effect, be no worse against the outside ship than the restrictions which, by the Convention, are to be imposed on Canadian ships and United States ships. The circumstances might turn out to be such that no other country would feel morally in a position to raise any question about the action taken which would be designed to conserve this great source of human food.

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C150109

150111

Note: This Bill was drafted by the State Department in consultation with the Bureau of Fisheries and the Treasury Department. See Canadian Legation despatch No. 299 of Mar. 27/37

75TH CONGRESS
1ST SESSION

S. 1984

IN THE SENATE OF THE UNITED STATES

MARCH 25, 1937

Mr. SCHWELLENBACH introduced the following bill; which was read twice and referred to the Committee on Commerce

A BILL

For the protection of the northern Pacific halibut fishery.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Northern Pacific Halibut Act of 1937".

SEC. 2. When used in this Act—

(a) Convention: The word "Convention" means the Convention between the United States and Canada for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed at Ottawa on the 29th day of January 1937, and shall include the regulations of the International Fisheries Commission promulgated thereunder.

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C150110

(b) Commission: The word "Commission" means the International Fisheries Commission provided for by article III of the Convention.

(c) Person: The word "person" includes partnerships, associations, and corporations.

(d) Territorial waters of the United States: The term "Territorial waters of the United States" means the Territorial waters contiguous to the western coast of the United States and the territorial waters contiguous to the southern and western coasts of Alaska.

(e) Territorial waters of Canada: The term "territorial waters of Canada" means the territorial waters contiguous to the western coast of Canada.

(f) Convention waters: The term "Convention waters" means the territorial waters of the United States, the territorial waters of Canada, and the high seas of the Northern Pacific Ocean and the Bering Sea, extending westerly from the limits of the territorial waters of the United States and of Canada.

(g) Halibut: The word "halibut" means the species of Hippoglossus inhabiting Convention waters.

(h) Vessel: The word "vessel" includes every description of water craft or other contrivance used, or capable of being used, as a means of transportation in water.

SEC. 3. It shall be unlawful for—

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(a) any person other than a national or inhabitant of the United States to catch or attempt to catch any halibut in the territorial waters of the United States;

(b) any person to transfer to or to receive upon any vessel of the United States, or to bring to any place within the jurisdiction of the United States any halibut caught in Convention waters by the use of any vessel of a nation not a party to the Convention, or caught in Convention waters by any national or inhabitant of the United States or Canada in violation of the Convention or of this Act;

(c) any national or inhabitant of the United States to catch, attempt to catch, or to possess any halibut in the territorial waters of the United States or in Convention waters in violation of any provision of the Convention or of this Act;

(d) any person within the territory or jurisdiction of the United States to furnish, prepare, outfit, or provision any vessel, other than a vessel of the United States or Canada, in connection with any voyage during which such vessel is intended to be, is being, or has been employed in catching, attempting to catch, or possessing any halibut in Convention waters or the territorial waters of the United States or Canada;

(e) any person within the territory or jurisdiction of the United States to furnish, prepare, outfit, or provision

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any vessel of the United States or Canada in connection with any voyage during which such vessel is intended to be, is being, or has been employed in catching, attempting to catch, or possessing any halibut in violation of any provision of the Convention or of this Act;

(f) any person within the territory or jurisdiction of the United States or any national or inhabitant of the United States within Convention waters knowingly to have or have had in his possession any halibut taken, transferred, received, or brought in in violation of any provision of the Convention or of this Act;

(g) any person to depart from any place within the jurisdiction of the United States in any vessel which departs from such place in violation of the Convention or of this Act;

(h) any person in the territorial waters of the United States or any national or inhabitant of the United States in Convention waters to catch or attempt to catch any halibut, or to possess any halibut caught incidentally to fishing for other species of fish by the use of or in any vessel required by the Convention to have on board any license or permit unless such vessel shall have on board a license or permit which shall comply with all applicable requirements of the Convention, and which shall be available for inspection at

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any time by any officer authorized to enforce the Convention or by any representative of the Commission;

(i) any person to take, retain, land, or possess any halibut caught incidentally to fishing for other species of fish, in violation of any provision of the Convention or of this Act.

SEC. 4. It shall be unlawful for the master or owner or person in charge of any vessel or any other person required by the Convention to make, keep, or furnish any record or report, to fail to do so, or to refuse to permit any officer authorized to enforce the Convention or any representative of the Commission to examine and inspect any such record or report at any time.

SEC. 5. (a) The provisions of the Convention and of this Act and any regulations issued under this Act shall be enforced by the Coast Guard, the Customs Service, and the Bureau of Fisheries. For such purposes any officer of the Coast Guard, Customs, or Fisheries may at any time go on board of any vessel in territorial waters of the United States, or any vessel of the United States or Canada in Convention waters, except in the territorial waters of Canada, to address inquiries to those on board and to examine, inspect, and search the vessel and every part thereof and any person, trunk, package, or cargo on board, and to this end may hail

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and stop such vessel, and use all necessary force to compel compliance.

(b) Whenever it appears to any such officer that any person, other than a national or inhabitant of Canada, on any vessel of the United States is violating or has violated any provision of the Convention or of this Act, he shall arrest such person and seize any such vessel employed in such violation. If any such person on any such vessel of the United States is a national or inhabitant of Canada, such person shall be detained and shall be delivered as soon as practicable to an authorized officer of Canada at the Canadian port or place nearest to the place of detention or at such other port or place as such officers of the United States and of Canada may agree upon.

(c) Whenever it appears to any such officer of the United States that any person, other than a national or inhabitant of the United States, on any vessel of Canada in Convention waters, except in the territorial waters of Canada, is violating or has violated any provision of the Convention, such person, and any such vessel employed in such violation, shall be detained and such person and such vessel shall be delivered as soon as practicable to an authorized officer of Canada at the Canadian port or place nearest to the place of detention, or at such other port or place as such officers of the United States and of Canada may agree

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upon. If any such person on any such vessel of Canada is a national or inhabitant of the United States, such person shall be arrested as provided for in subsection (b) of this section.

(d) Officers or employees of the Coast Guard, Customs, and Fisheries may be directed to attend as witnesses and to produce such available records and files or certified copies thereof as may be produced compatibly with the public interest and as may be considered essential to the prosecution in Canada of any violation of the provisions of the Convention or any Canadian law for the enforcement thereof when requested by the appropriate Canadian authorities in the manner prescribed in article V of the Convention to suppress smuggling concluded between the United States and Canada on June 6, 1924 (44 Stat. (pt. 3), 2097).

SEC. 6. (a) Any person violating any provision of section 3 of this Act upon conviction shall be fined not more than $1,000 nor less than $100 or be imprisoned for not more than one year, or both.

(b) The cargo of halibut of every vessel employed in any manner in connection with the violation of any provision of section 3 of this Act shall be forfeited; upon a second violation of the provisions of section 3 of this Act, every such vessel, including its tackle, apparel, furniture, and stores may be forfeited and the cargo of halibut of every

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such vessel shall be forfeited; and, upon a third or subsequent violation of the provisions of section 3 of this Act, every such vessel, including its tackle, apparel, furniture, cargo, and stores shall be forfeited.

(c) All provisions of law relating to the seizure, judicial forfeiture, and condemnation of a vessel for violation of the customs laws, the disposition of such vessel or the proceeds from the sale thereof, and the remission or mitigation of such forfeitures shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this Act, insofar as such provisions of law are applicable and not inconsistent with the provisions of this Act: *Provided,* That such duties as are imposed upon the collector of customs or any other person with respect to the seizure and forfeiture of a vessel under the customs laws shall be performed with respect to seizures and forfeitures under this Act by the Secretary of Commerce or by such officers, agents, or other persons as may be authorized or designated for that purpose by the Secretary of Commerce.

SEC. 7. Any person violating section 4 of this Act shall be subject to a penalty of $50 for each such violation. The Secretary of Commerce is authorized and empowered to mitigate or remit any such penalty in the manner prescribed by law for the mitigation or remission of penalties for violation of the navigation laws.

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SEC. 8. None of the prohibitions contained in this Act shall apply to the Commission or its agents when engaged in any scientific investigation.

SEC. 9. The Secretary of the Treasury and the Secretary of Commerce are authorized to make such joint rules and regulations as may be necessary to carry out the provisions of this Act.

SEC. 10. This Act shall take effect on the date of exchange of ratifications of the Convention signed by the United States of America and Canada, on January 29, 1937, for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, unless such date shall be prior to the date of approval of this Act in which case it shall take effect immediately.

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C150118

75TH CONGRESS
1ST SESSION

S. 1984

A BILL

For the protection of the northern Pacific halibut fishery.

By Mr. SCHWELLENBACH

MARCH 25, 1937

Read twice and referred to the Committee on Commerce

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O.D. SKELTON TO W.L.M.K

C150119
HALIBUT FISHERIES
TREATY

Ottawa, 8th April, 1937.

PRIME MINISTER.

HALIBUT CONVENTION

Attached is a memorandum Christie has just given me regarding a change in the wording of Section 8 of the Halibut Convention Bill suggested by the International Fisheries Commission.

O.D.S.

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April 8, 1937.

C150120

RE BILL 90 TO CARRY OUT THE HALIBUT CONVENTION

The officials of the Department of Fisheries state that a doubt has been raised as to the effect of Section 8 of the Bill. This doubt has been brought to their attention by the International Fisheries Commission.

Section 8 provides simply that people who catch halibut during the closed season are guilty of an offence. The scheme of the Convention and the Bill contemplates that, under certain conditions to be defined by regulation, fishermen may during the closed halibut season retain halibut caught incidentally while fishing for other species.

It has been suggested, therefore, that it would be well to clarify Section 8 of the Bill by inserting, in two places, the words "in contravention of any provision of this Act, or of any regulation".

These words would be inserted in the third line of Section 8 immediately after the word "Canada", and also in the last line immediately after the word "waters".

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Section 8, as thus amended, would then read as follows (the new words being underlined):-

"8. Every person who at any time in the closed season fishes for, or catches, or attempts to catch, halibut in the territorial waters of Canada <u>in contravention of any provision of this Act, or of any regulation;</u> and every national or inhabitant of Canada who at any time in the closed season fishes for, or catches, or attempts to catch, halibut in convention waters <u>in contravention of any provision of this Act, or of any regulation</u>, is guilty of an offence against this Act."

The view might be taken that, since a court would be expected to read all the provisions of the legislation together, there is no great likelihood of a difficulty arising. But, since the doubt has been raised in responsible quarters, and since possibly it might be raised by some member of Parliament, it is agreed from the point of view of the Department of External Affairs that, as a matter of clarification, it might be well to propose an amendment of Section 8 by the insertion in two places of the words set out above. (Note: The same form of words occurs in other sections - 10, 11, 12 - declaring offences).

X Whether this should be initiated while the Bill is in the House of Commons, or should be left to be dealt with when it reaches the Senate, is for consideration.

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April 8, 1937.

C150122

RE BILL 90 TO CARRY OUT THE HALIBUT CONVENTION

The officials of the Department of Fisheries state that a doubt has been raised as to the effect of Section 8 of the Bill. This doubt has been brought to their attention by the International Fisheries Commission.

Section 8 provides simply that people who catch halibut during the closed season are guilty of an offence. The scheme of the Convention and the Bill contemplates that, under certain conditions to be defined by regulation, fishermen may during the closed halibut season retain halibut caught incidentally while fishing for other species.

It has been suggested, therefore, that it would be well to clarify Section 8 of the Bill by inserting, in two places, the words "in contravention of any provision of this Act, or of any regulation".

These words would be inserted in the third line of Section 8 immediately after the word "Canada", and also in the last line immediately after the word "waters".

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"8. Every person who at any time in the closed season fishes for, or catches, or attempts to catch, halibut in the territorial waters of Canada <u>in contravention of any provision of this Act, or of any regulation</u>; and every national or inhabitant of Canada who at any time in the closed season fishes for, or catches, or attempts to catch, halibut in convention waters <u>in contravention of any provision of this Act, or of any regulation</u>, is guilty of an offence against this Act."

The view might be taken that, since a court would be expected to read all the provisions of the legislation together, there is no great likelihood of a difficulty arising. But, since the doubt has been raised in responsible quarters, and since possibly it might be raised by some member of Parliament, it is agreed from the point of view of the Department of External Affairs that, as a matter of clarification, it might be well to propose an amendment of Section 8 by the insertion in two places of the words set out above. (Note: The same form of words occurs in other sections – 10, 11, 12 – declaring offences)

Whether this should be initiated while the Bill is in the House of Commons, or should be left to be dealt with when it reaches the Senate, is for consideration.

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C150124

Announcement given to Press, by Prime Minister,
Ottawa, July 28, 1937.

EXCHANGE OF RATIFICATION: HALIBUT TREATY.

Ratifications were exchanged this afternoon between the Right Honourable W. L. Mackenzie King, as Secretary of State for External Affairs, and the Honourable Norman Armour, United States Minister to Canada, of the Convention between Canada and the United States of America for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea. In accordance with the provisions of Article 6, the Convention enters into force upon the exchange of ratifications.

The new Convention, which replaces the Convention of 1930, embodies the benefit of the experience gained since that date by the International Fisheries Commission in cooperation with the fishing fleets concerned. The amendments may be summarized under two headings.

The first provides authority by which the Commission may regulate, with the approval of the two Governments, the taking and possession of halibut incidental to fishing for other species of fish when halibut fishing is prohibited.

The second amendment concerns the method of fixing the limits of the closed season. Instead of authorizing the Commission to fix a date for the cessation of fishing, it authorizes it periodically to fix a date for the last departure of fishing vessels for any fishing area concerned.

It will be seen that both these amendments are matters of administrative procedure designed to simplify and make more easily applicable the regulations of the Commission.

July 28th, 1937.

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P/2 P.C. 1841

C150125

Certified to be a true copy of a Minute of a Meeting of the Committee
the Deputy of
of the Privy Council, approved by/His Excellency the Governor
General on the 28th July, 1937.

PRIVY COUNCIL
CANADA

The Committee of the Privy Council have had before them a report, dated 28th July, 1937, from the Secretary of State for External Affairs, submitting:-

1- That the Ratifications of the Convention between Canada and the United States of America for the preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed at Ottawa on the 29th day of January, 1937, were exchanged at Ottawa on the 28th July, 1937;

2- That Section 16 of "The Northern Pacific Halibut Fishery (Convention) Act, 1937", provides that the Act shall come into force upon a day to be fixed by Proclamation of the Governor in Council.

The Minister, with the concurrence of the Minister of Fisheries, accordingly recommends that a Proclamation do issue bringing into force as from the 28th day of July, 1937, "The Northern Pacific Halibut Fishery (Convention) Act, 1937".

The Committee concur in the foregoing recommendation and submit the same for approval.

E. S. Lapointe

Clerk of the Privy Council.

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PRIVY COUNCIL
CANADA

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The Minister, with the concurrence of the Minister of Fisheries, accordingly recommends that a Proclamation do issue bringing into force as from the 28th day of July, 1937, "The Northern Pacific Halibut Fishery (Convention) Act, 1937".

The Committee concur in the foregoing recommendation and submit the same for approval.

E. S. Lemaire
Clerk of the Privy Council.

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[redacted]

C150126

Extract from P.C. 1841 (July 28th, 1937)

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1. Ratifications of the Convention between Canada and the United States of America for the preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea.

   Signed at Ottawa, January 29th, 1937
   Exchanged at Ottawa, July 28th, 1937

2. Under Section 16 of "The North Pacific Halibut Fishery (Convention) Act, 1937", a Proclamation bringing this act into force as from July the 28th, 1937.

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C150127

[redacted]

EXCHANGE OF RATIFICATIONS , HALIBUT TREATY.

Announcement given to Press, by Prime Minister, Ottawa, July 28,1937.

Ratifications were exchanged this afternoon between the Right Honourable W.L. Mackenzie King, as Secretary of State for External Affairs, and the Honourable Norman Armour, United States Minister to Canada, of the Convention between Canada and the United States of America for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea. In accordance with the provisions of Article 6, the Convention enters into force upon the exchange of ratifications.

The new Convention, which replaces the Convention of 1930, embodies the benefit of the experience gained since that date by the International Fisheries Commission in cooperation with the fishing fleets concerned. The amendments may be summarized under two headings.

The first provides authority by which the Commission may regulate, with the approval of the two Governments, the taking and possession of halibut incidental to fishing for other species of fish when halibut fishing is prohibited.

The second amendment concerns the method of fixing the limits of the closed season. Instead of authorizing the Commission to fix a date for the cessation of fishing, it authorizes it periodically to fix a date for the last departure of fishing vessels for any fishing area concerned.

It will be seen that both these amendments are matters of administrative procedure designed to simplify and make more easily applicable the regulations of the Commission.

July 28th,1937.

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III/7 P.C. 2062 C150128 4756-1

PRIVY COUNCIL
CANADA

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 25th AUGUST 1937

The Committee of the Privy Council have had before them a report, dated 19th August, 1937, from the Minister of Fisheries, referring to Order in Council P.C. 1331 of the 6th of June, 1936, which authorized the appointment, following a recommendation to that end by the Provincial Commissioner of Fisheries for British Columbia, of Mr. George J. Alexander, Assistant to the Commissioner of Fisheries for British Columbia, as one of the Canadian members of the International Fisheries Commission under the Pacific Halibut Treaty;

The Minister states that Mr. Alexander has submitted his resignation as such Commissioner by letter of the 11th instant, the original of which is attached, and that the Prime Minister of the Province, the Honourable T.D. Pattullo, has recommended to him that the vacancy be filled by the appointment of Mr. Lewis Warner Patmore, K.C., of Prince Rupert.

The Minister observes that when the Commission was originally appointed, it was deemed best that it should be administrative in its character; that the members thereof should receive no remuneration; that it should employ such investigators and others as it would find necessary to carry out the investigations with which it is entrusted, and that it was also decided, so far as Canada is concerned, that, in view of the interests of the Provincial Government in the matter, someone nominated by it should be appointed as one of the Commissioners.

The Minister, therefore, recommends that the resignation of Mr. George J. Alexander be accepted and that Lewis Warner Patmore, Esquire, K.C., of Prince Rupert, be hereby appointed as one of the Canadian members of the aforesaid International Commission to fill the vacancy.

The Committee concur in the foregoing recommendation and submit the same for approval.

E. J. Lemaire
Clerk of the Privy Council.

Noted

The Right Honourable
the Prime Minister.

AUG 27 1937

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3rd June, 1936

C150129

MEMORANDUM FOR THE PRIME MINISTER:

Lausanne Treaty Revision.

Attached are two telegrams from the Dominions Office and the High Commissioner's Office respectively, as to the procedure to be followed in the revision consequent on Turkey's request to be freed from the limitation on fortification in the Straits zone.

Attached also is a memorandum which Mr. Christie had prepared, with a copy of the Lausanne Treaty and exchange of telegrams between the British and Canadian Governments in 1924, also a copy of a draft reply to London.

(O.D. Skelton)
I.C.U.

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C [redacted]
C150130

TREATY OF LAUSANNE, 1923

The Treaty of Peace between Turkey, on the one side, and France, Italy, Japan, Roumania, Greece, the Serb, Croat and Slovene State and the British Empire, on the other, was signed at Lausanne July 24th, 1923.

Canada did not concur in the ratification of this Treaty but stated that no exception would be taken to such course as His Majesty's Government in the United Kingdom might deem it advisable to recommend. The Treaty was registered with the Secretariat of the League of Nations on September 5th, 1924.

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C150131

SUBMISSION OF TREATIES TO PARLIAMENT

Extract from Debates, British House of Commons, April 1, 1924: Debate on Lausanne Treaty

Mr Ponsonby (Parliamentary Under Secretary for Foreign Affairs, in Labour Govt.)

But before I sit down, I may be allowed to take advantage of this occasion in order to make a brief statement as to the intentions of the Government with regard to the important question of the submission of Treaties to Parliament. It has been the declared policy of the Labour Party for some years past to strengthen the control of Parliament over the conclusion of international treaties and agreements, and to allow this House adequate opportunity to discuss the provisions of these instruments before their final ratification. His Majesty's Government desire at the earliest possible moment to inaugurate a new practice which will give effect to this policy. As matters now stand there is no constitutional obligation to compel the Government of the day to submit treaties to this House before ratification except in cases, such as the Treaty of Lausanne which is now under review, where a Bill or a Financial Resolution has to receive Parliamentary sanction before ratification. But as a rule formal publication of a treaty does not take place until after ratification unless Parliamentary action is necessary with regard to it. I need not weary the House with the many instances of important treaties which have been signed, sealed and ratified before this House has been afforded an opportunity of discussing their provisions.

In recent years international questions have come to be of crucial importance, and the interest taken in them has greatly increased. The Dominions are now consulted before ratification, and the desire of this House to exercise some proper supervision over international agreements has to some extent been respected. As the right hon. Gentleman the Member for Canterbury (Mr. R. McNeill) said on the 16th January, the last occasion on which he spoke as Under-Secretary of State for Foreign Affairs:

> "I think it is becoming more and more a custom not to ratify Treaties without giving the House of Commons the opportunity suggested." -(Official Report, 16th January, 1924; col. 140, Vol. 169).

that is to say, an opportunity for consideration and discussion. I think, therefore, that we shall carry the general approval of the House with us if we endeavor so to adjust the practice with regard to the submission of Treaties as to give Parliament, not arbitrarily in this or that case, but completely in all cases, an opportunity for the examination, consideration and if need be the discussion of all Treaties before they reach the final stage of ratification.

Mr. Ormsby-Gore: All Treaties?

Mr. Ponsonby: Yes, all Treaties. There are three possible methods, and the first is legislation. The second method is by Resolution of the House, which in this instance would have to take the form of an address to the Crown,

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which, constitutionally speaking, is the Treaty-making power. The third method is by the inauguration of a new custom, accompanied by the arrangement of the appropriate machinery for giving effect to the new procedure. I will dismiss in a few words the idea of proceeding by means of legislation. An Act of Parliament may be the most imposing method of effecting a constitutional change, but no Act of Parliament can be so worded as to prevent its being altered by another Act of Parliament. Moreover, we should plunge the House into a morass of constitutional controversy, in which, no doubt, we might be accused of invading the prerogatives of the Crown, and the underlying principle, about which, I believe, there is general agreement, would be lost sight of. I therefore rule out legislation as a clumsy and undesirable method of accomplishing our purpose.

A Resolution, which, as I have said, must take the form of an Address to the Crown, also does not appear to be at this moment the best means of effecting the necessary changes. For one thing, it would narrow down the issue to one special form of treaty, and our intentions extend beyond that. I do not rule out an Address to the Crown should the House wish at some future time to place on record their decision with regard to this special class of Treaty in a formal manner. I come, therefore, to the inauguration of a change in custom and procedure. At first sight this may appear to be an inadequate method of carrying out the Government's intentions. I would, however, remind the House of the paradox that, under the British Constitution, it is rules that depend solely on practice and usage which are the most immutable. A change effected by Acts of Parliament is not likely to last so long as one effected solely by Ministers as a change of practice, and dependent only on the will of the Members of the Legislature form the time being.

If this new system works well, then it will endure; if it does not work, then there is no reason why it should continue. It is on these lines that we intend to proceed. There are two sorts of Treaties. There is the present Treaty, like Lausanne, out of which a Bill and a Financial Resolution arise, and which necessarily comes before Parliament and in regard to which no change is necessary. But there is another sort of Treaty out of which no Bill arises, and that is the sort of Treaty which, according to present practice, need never be brought before the House at all. It is the intention of His Majesty's Government to lay on the Table of both Houses of Parliament every Treaty, when signed, for a period of 21 days, after which the Treaty will be ratified and published and circulated in the Treaty Series. In the case of important Treaties, the Government will, of course, take an opportunity of submitting them to the House for discussion within this period. But, as the Government cannot take upon itself to decide what may be considered important or unimportant, if there is a formal demand for discussion forwarded through the usual channels from the Opposition or any other party, time will be found for the discussion of the Treaty in question.

By this means secret Treaties and secret clauses of Treaties will be rendered impossible. Resolutions expressing Parliamentary approval of every Treaty before ratification would be a very cumbersome form of procedure

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and would burden the House with a lot of unnecessary business. The absence of disapproval may be accepted as sanction, and publicity and opportunity for discussion are the really material and valuable elements which henceforth will be introduced. Public Treaties in these days do not come with surprise before Parliament. The Government's intentions are made known, the work of conferences is given a great deal of publicity, there are discussions on the Foreign Office Vote, and there are also Parliamentary questions. Nevertheless, it seems to the Government necessary that the instrument in its final shape should in all cases be submitted to Parliament, which ultimately is the supreme governing body of the nation.

Lieut.-Commander Kenworthy: Do the Government intend in future to send a Bill upstairs to a Standing Committee in order that the matter may be discussed with greater freedom, without taking up so much time of the House, as, otherwise, I am afraid would be the case? Has that matter been considered, or will the hon. Gentleman give favourable consideration to it?

Mr. Ponsonby: I do not know whether my hon. and gallant Friend is referring to the present Bill.

Lieut.-Commander Kenworthy: No, not this one.

Mr. Ponsonby: Other Bills arising out of Treaties will be very similar to this Bill, and the hon. and gallant Gentleman's suggestion would require consideration. I cannot answer it at the present time. There are, of course, international conventions of a purely technical character which are not subject to ratification, and there is no reason to alter the procedure with regard to them. But treaties such as these with which I am dealing do not cover the whole ground, and His Majesty's Government desire that Parliament should also exercise supervision over agreements, commitments, and understandings by which the nation may be bound in certain circumstances and which may involve international obligations of a serious character, although no signed and sealed document may exist. One might be tempted to give illustrations of understandings of this sort, but I do not want to introduce any controversial element into this statement, more so because I believe the principle that we intend to adopt will receive ready assent from all quarters of the House. During our term of office, we shall inform the House of all agreements, committments, and understandings which may in any way bind the nation to specific action in certain circumstances. We consider it of the highest importance that the country should not find itself compelled to take action along certain lines without the public mind being prepared for such a contingency, and without Parliament having cognizance of the particular agreement which may constitute an obligation of honour. This is our intention. There is no method by which we can bind future Governments -

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Anonymous (1936)

C150134 L-150

Locarno - Can. & the Locarno Pact

ATTITUDE OF THE CANADIAN GOVERNMENT TO THE LOCARNO SETTLEMENT

The negotiations leading up to the signature of the Locarno Agreement on October 16th, 1925, were begun several months earlier. In answer to a question from Mr. Woodsworth on June 10th, 1925, the Prime Minister stated that the Canadian Government had been kept informed of the negotiations between Great Britain and France but their opinion had not been asked upon them, they had not been requested to express any views as to what Canada's position might or might not be, nor did they propose to intervene in a discussion of which they had no knowledge beyond that received in the manner described.

On June 26th, 1925, the Prime Minister supplemented this statement with the statement that the negotiations were primarily and essentially between the Governments of Great Britain, France, Belgium and Germany "with respect to certain matters which are confined entirely to Europe", that at no stage had any of these countries made any request to or asked the opinion of any of the Dominions, that in view of its non-participation the Canadian Government did not feel it should either offer advice or take exception to anything that was being done, that the Foreign Secretary had stated in the British House that no Dominion could be asked to do anything without the sanction of its own Parliament and that although quite conceivably an agreement might be reached wholly independent of their Parliament

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C150135

he was sure that "no agreement will be reached which will commit in any way our country without the explicit condition that Parliament approves of whatever action is taken".

On June 21st, 1926, Mr. King moved that the House register formal approval of the 1923 Conference resolution and furthermore record its opinion that before the Canadian Government advised ratification of any treaties affecting Canada or involving military or economic sanctions, parliamentary approval should be obtained. The Premier explained his purpose in introducing the resolution as follows:-

> "One reason as to why it appears to be desirable at this time that Parliament should give its approval to the course of procedure recommended is that at the proceedings of the forthcoming Imperial Conference matters may come up with respect to existing agreements or treaties in which the representatives of the Dominion of Canada will be asked to express their views and may possibly be asked as to commitments which it may be thought desirable to have made in the name of the country. One case in point is that of the so-called Locarno Agreement. The British Government has intimated that it is intended that at the Imperial Conference all phases of these agreements and their significance with respect to the Empire as a whole and to the different parts of the Empire shall be discussed. It is important therefore that this House of Commons should say whether or not it desires, before any binding agreement is entered into on the part of Canada with respect to the Locarno Pact, Parliament shall be consulted and shall be given an opportunity of approving before action is taken by the Government in this regard."

Dealing more specifically with the Government's attitude toward the Locarno Pact, he continued:

> "Up to the present the Government has seen no reason why it should at this time assume obligations which it is not obliged to assume under the Locarno Pact, more particularly as the British Government itself has expressed the desire that a final decision

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> in this matter be not reached until after the whole question has been fully discussed at the Imperial Conference. ... It has also been felt by the British Government that before arriving at any final judgment the governments of the Dominions would desire the fullest possible information as to the situation created by the treaty in relation to the whole field of foreign policy and defence. It has been suggested that there should be a general examination of the whole situation, and that such examination should be deferred until there had first been an opportunity of discussion between Ministers of Great Britain and the representatives of the Dominions and of India, such as would be afforded at the Imperial Conference which has been now fixed for the month of October. Up to the present time the Government has not signified its acceptance of the Locarno Agreement, and the Government does not propose to reach a final decision in the matter until after the Imperial Conference. The point I wish to bring out very clearly in this regard is that this Government, if representing Canada at the Imperial Conference, will take the position with respect to the Locarno Agreement, regardless of what decision may be reached, that Parliament will be asked to approve of the acceptance of the Locarno Pact before the Dominion of Canada becomes a party thereto."

Perhaps the most explicit statement of the policy of the Administration on the subject was that of Mr. Lapointe on April 12th, 1928. His statement, which will be found on pages 1960 of the Debates of the House of Commons of that year, is, in part, as follows:-

> "My hon. friend spoke about Locarno, and said that the Prime Minister and myself were very good boys when we were over there. He also said that we approved of the treaty of Locarno and that we were morally bound by it. We were not parties to the Treaty of Locarno; we were not represented when it was signed. Included in that treaty was a clause which stated that Canada and the other dominions would be bound if they agreed to the treaty, but when it was submitted to the Canadian government we took the attitude that we did not want to be bound by it. As I remember it, we were asked not to take any formal or definite step before the Imperial conference was called, which was to be held at a certain time in 1926. At that Imperial conference the Treaty of Locarno was discussed and the dominions were asked to accept it.

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C150137

I hope that I am not betraying any confidence now, but I am forced to tell this because of what my hon. friend has said; Canada took the stand that we would not be bound by that treaty, and in view of the stand taken by Canada and perhaps one or two other dominions, no resolution was brought forward for the purpose of binding the dominions by that treaty. There was a nice little resolution congratulating Sir Austen Chamberlain upon the part he took in bringing about European peace, and I am free to say that he played a fine part at Locarno; as far as I was concerned, I had no objection to congratulating him on the really great work he did there. As far as my country is concerned, however, we never agreed to accept that treaty, and as a Canadian citizen I do not see that Canada should assume obligations in connection with the boundaries between France and Germany, any more than England should assume obligations in connection with the boundaries between Germany and the rest of central Europe. They agreed to guarantee the present boundaries between Germany and Belgium and Germany and France, but they did not agree to guarantee the boundaries between Germany and Poland or the other states of central Europe. One reason was because the eastern boundary was too far from England; well, the western boundary is still further from Canada. I do not believe it would have been good policy for us to assume any obligation which might result in a war to guarantee any boundaries in central Europe or elsewhere outside our own country. I have no objection to stating publicly and openly what my stand was in that regard, and I am willing to submit it to the Canadian people for approval or disapproval.

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Prepared for Session of 1936

C150138

ATTITUDE OF THE CANADIAN GOVERNMENT TO THE LOCARNO SETTLEMENT

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C150141

I hope that I am not betraying any confidence now, but I am forced to tell this because of what my hon. friend has said; Canada took the stand that we would not be bound by that treaty, and in view of the stand taken by Canada and perhaps one or two other dominions, no resolution was brought forward for the purpose of binding the dominions by that treaty. There was a nice little resolution congratulating Sir Austen Chamberlain upon the part he took in bringing about European peace, and I am free to say that he played a fine part at Locarno; as far as I was concerned, I had no objection to congratulating him on the really great work he did there. As far as my country is concerned, however, we never agreed to accept that treaty, and as a Canadian citizen I do not see that Canada should assume obligations in connection with the boundaries between France and Germany, any more than England should assume obligations in connection with the boundaries between Germany and the rest of central Europe. They agreed to guarantee the present boundaries between Germany and Belgium and Germany and France, but they did not agree to guarantee the boundaries between Germany and Poland or the other states of central Europe. One reason was because the eastern boundary was too far from England; well, the western boundary is still further from Canada. I do not believe it would have been good policy for us to assume any obligation which might result in a war to guarantee any boundaries in central Europe or elsewhere outside our own country. I have no objection to stating publicly and openly what my stand was in that regard, and I am willing to submit it to the Canadian people for approval or disapproval.

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C150142

LEAGUE OF NATIONS.

Communicated to the Council and the Members of the League.

C.112.M.52.1936

Geneva, March 9th,1936.

TREATY OF MUTUAL GUARANTEE BETWEEN GERMANY, BELGIUM, FRANCE, GREAT BRITAIN AND ITALY, DONE AT LOCARNO, OCTOBER 16th,1925: COMMUNICATION FROM THE FRENCH AND BELGIAN GOVERNMENTS.

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1. Telegram, dated March 8th,1936, from the French Government.
2. Telegram, dated March 8th,1936, from the Belgian Government.

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1) TELEGRAM FROM THE FRENCH GOVERNMENT.

(Translation) Paris, March 8th,1936.

By Article I of the Treaty negotiated at Locarno to which Belgium, France, the British Empire and Italy are parties with Germany Germany confirmed inter alia her intention to observe the stipulations of Articles 42 and 43 of the Treaty of Versailles which provide for the demilitarisation of the German Territory on the left bank of the Rhine and on the right bank of the zone situated between that river and a line drawn fifty kilometres to the east.

In virtue of Article 8 of the Treaty of Locarno that Treaty cannot cease to have effect otherwise than by a decision of the Council of the League of Nations voting by a two-thirds majority.

Notwithstanding these explicit provisions the Government of the Reich by a communication made yesterday to the representatives in Berlin of the Signatory Powers has just repudiated this Treaty by a unilateral act.

Moreover, in reply to a question put by the French Ambassador when this notification was made to him, the Minister for Foreign Affairs of the Reich announced that the German Government proposed to send small detachments into the demilitarised zone as a symbolical act.

In fact the appearance of considerable military forces is already reported in several localities in the zone.

The German Government has thus expressly violated Article 43 of the Treaty of Versailles and Article 1 of the Treaty of Locarno.

Consequently in conformity with Article 4 of the last-named Treaty the French Government has the honour to seize the Council of the League of Nations of the violation thus committed.

In view of the urgency of the matter I should be obliged if you would take all necessary measures for the Council to meet as soon as possible.

I beg you to accept the assurance of my highest consideration.

PIERRE ETIENNE FLANDIN

P.T.O.

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2) TELEGRAM FROM THE BELGIAN GOVERNMENT.

(Translation)

Brussels, March 8th,1936.

By a communication made on March 7th to the Belgian Government the German Government gave notice that it no longer considered itself bound by the Treaty of Guarantee of Locarno and that German troops were entering the demilitarised zone. This fact constituting a violation of Articles 42 and 43 of the Treaty of Versailles the Belgian Government has the honour in conformity with Article 4, Paragraph 1 of the Treaty of Guarantee of Locarno to lay the uestion immediately before the Council of the League of Nations I should be grateful if you would take the necessary measures in order that the Council may be convened as soon as possible.

PAUL VAN ZEELAND
PRIME MINISTER - MINISTER FOR FOREIGN AFFAIRS.

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LEAGUE OF NATIONS. **C150144**

Communicated to the Council and the Members of the League.

C.113.M.53.1936.

Geneva, March 9th, 1936.

TREATY OF MUTUAL GUARANTEE BETWEEN GERMANY, BELGIUM, FRANCE, GREAT BRITAIN AND ITALY, DONE AT LOCARNO, OCTOBER 16th, 1925; COMMUNICATION FROM THE FRENCH AND BELGIAN GOVERNMENTS.

Telegram dated March 8th, 1936, from the Secretary-General to the German Government.

Geneva, March 8th, 1936.

I have the honour to communicate to you the following telegram which I have received from the French Government

Quote

By Article I of the Treaty negotiated at Locarno to which Belgium France the British Empire and Italy are Parties with Germany Germany confirmed inter alia her intention to observe the stipulations of Articles 42 and 43 of the Treaty of Versailles which provide for the demilitarisation of the German Territory on the left bank of the Rhine and on the right bank of the zone situated between that river and a line drawn fifty kilometres to the East.

In virtue of Article 8 of the Treaty of Locarno that Treaty cannot cease to have effect otherwise than by a decision of the Council of the League of Nations voting by a two-thirds majority.

Notwithstanding these explicit provisions the Government of the Reich by a communication made yesterday to the representatives in Berlin of the Signatory Powers has just repudiated this Treaty by a unilateral act.

Moreover in reply to a question put by the French Ambassador when this notification was made to him the Minister for Foreign Affairs of the Reich announced that the German Government proposed to send small detachments into the demilitarised zone as a symbolical act.

In fact the appearance of considerable military forces is already reported in several localities in the zone.

The German Government has thus expressly violated Article 43 of the Treaty of Versailles and Article I of the Treaty of Locarno.

Consequently in conformity with Article 4 of the last-named Treaty the French Government has the honour to seize the Council of the League of Nations of the violation thus committed.

In view of the urgency of the matter I should be obliged if you would take all necessary measures for the Council to meet as soon as possible.

I beg you to accept the assurance of my highest consideration.

PIERRE ETIENNE FLANDIN.

End quote.

The President of the Council proposes that the Council should meet at Geneva on Friday March 13th at 11 hours.

Should the German Government as Contracting Party to the Treaty mentioned above wish to take part in the examination of this question by the Council, I should be grateful if you would inform me.

AVENOL Secretary-General.

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C150145

GENEVA PRESS MESSAGE

March 13th, 1936.

Council League will hold extraordinary session March fourteenth London to consider complaint by France Belgian Governments of Germany breach Treaty Locarno by sending troops to demilitarized zone.

French Government's note dated March eighth says in particular that, by Article 1 Treaty Locarno, Germany confirmed her intention observe stipulations Articles 42 and 43 Treaty of Versailles, providing for demilitarization German territory on left bank Rhine and of the zone on right bank between that river and a line fifty kilometres East. Treaty Locarno, under Article Eight, cannot cease have effect otherwise than by decision Council League. Notwithstanding these provisions, German Government has just repudiated Treaty by unilateral act.

In reply to French Ambassador, Minister Foreign Affairs of Reich announced German Government proposed send small detachments into demilitarized zone as symbolical act. In fact, appearance considerable military forces is reported in several localities zone. German Government thus expressly violated Article 43 Treaty Versailles and Article 1 Locarno. Conseqnently, in conformity Article 4 Locarno, French Government brings violation thus committed before Council League.

Belgian Government's note same date states same facts and brings question immediately before Council League asking Secretary General take necessary measures summoning Council least possible delay.

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C150146

Meeting Committee Thirteen summoned for tenth to consider Ethiopian Italian Government's reply to its appeal March third for negotiations in view of an armistice and restoration Peace has been put off till next week. We have already announced acceptance proposal by Emperor Ethiopia. March eighth Italian representative sent following Note Chairman Committee Thirteen:

"Acti ng upon instructions my Government, I have honour inform you that Italian Government in response appeal addressed to it agrees in principle begin negotiations concerning Italo Ethiopian dispute."

Committee Experts Petroleum Questions charged with determining modes application of any embargo on export, transport, petroleum and petroleum derivatives to Italy met with Marte Gomex, Mexico, Chairman. Measures proposed are (1) extension embargo to petroleum products and chief substitutes (2) prohibition for tankers registered under flag (i) of participating States to be transferred directly or indirectly under Italian flag or (ii) to enter Italian ports or ports of Italian possessions.

Committee Experts charged with verifying application sanctions is waiting for information certain Governments before concluding. Its report deals with determination nationality goods for the purpose of enforcing prohibition against imports from Italy, with import of goods fully paid for, proof of origin and indirect supply.

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SOCIETE DES NATIONS. C150147

Communiqué au Conseil et aux Membres de la Société.

C.136.M.75.1936.

Londres, le 14 mars 1936.

TRAITE DE GARANTIE MUTUELLE ENTRE L'ALLEMAGNE, la BELGIQUE, LA FRANCE, LA GRANDE-BRETAGNE ET L'ITALIE, Fait A LOCARNO LE 16 OCTOBRE 1925 : COMMUNICATION DES GOUVERNEMENTS DE LA FRANCE ET DE LA BELGIQUE.

Télégramme, en date du 14 mars 1936, du Secrétaire général au Gouvernement allemand.

Londres, le 14 mars 1936.

Se référant à mon télégramme adressé au Gouvernement allemand huit mars le Conseil de la Société des Nations invite le Gouvernement allemand comme partie contractante au Traité de Locarno à participer à l'examen par le Conseil de la question de la communication des Gouvernements belge et français stop Le Conseil se réunira à Saint James Palace le lundi 16 mars à quinze heures trente

Avenol Secrétaire général.

LEAGUE OF NATIONS.

Communicated to the Council and the Members of the League.

C.136.M.75.1936.

London, March 14th, 1936.

TREATY OF MUTUAL GUARANTEE BETWEEN GERMANY, BELGIUM, FRANCE, GREAT BRITAIN AND ITALY, DONE AT LOCARNO, OCTOBER 16th, 1925: COMMUNICATION FROM THE FRENCH AND BELGIAN GOVERNMENTS.

Telegram, dated March 14th, 1936 from the Secretary-General to the German Government.

London, March 14th, 1936.

Referring to the telegram which I sent to the German Government on March 8th the Council of the League of Nations invites the German Government as Contracting Party to the Locarno Treaty to take part in the examination by the Council of the question of the communication from the French and Belgian Governments stop The Council will meet at Saint James's Palace on Monday March 16th at 3.30 p.m.

Avenol Secretary-General

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LEAGUE OF NATIONS

Communicated to the Council and the Members of the League.

C.137.M.76.1936.

London, March 15th, 1936.

TREATY OF MUTUAL GUARANTEE BETWEEN GERMANY, BELGIUM, FRANCE, GREAT BRITAIN AND ITALY, DONE AT LOCARNO, OCTOBER 16th, 1925: COMMUNICATION FROM THE FRENCH AND BELGIAN GOVERNMENTS.

Telegram, dated March 15th, 1936, from the German Government to the Secretary-General.

Berlin, March 15th, 1936.

(Translation)

I beg to acknowledge receipt of your telegram of March 14th in which you inform me that the Council of the League of Nations invites the German Government to take part in the examination of the question submitted to the Council by the Belgian and French Governments. The German Government is in principle prepared to accept the Council's invitation. It assumes in this connection that its representative will take part on equal terms with the representatives of the Powers represented on the Council in the discussions and decisions of the Council. I should be obliged if you would confirm this assumption.

The German Government must further draw attention to the following fundamental consideration. The German Government's action, which has been the occasion of the summoning of the Council by the Belgian and French Governments, does not consist merely in the restoration of German sovereignty in the Rhineland zone, but is bound up also with comprehensive concrete proposals to give a new assurance of peace in Europe. The German Government regards the political action which it has taken as a whole, the components parts of which cannot be separated from one another. For this reason the German Government can participate in the Council's proceedings only if it is assured that the Powers concerned are prepared to enter into negotiations forthwith in regard to the German proposals. The German Government will with this object place itself in touch with His Majesty's Government in the United Kingdom, under whose presidency the Powers concerned in the Rhine Pact of Locarno are met together for discussion in London.

Baron von NEURATH

Minister of the Reich for Foreign Affairs.

P.T.O.

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C.137.M.76.1936.

An den Generalsekretar des Voelkerbundes
Herrn Avenol,
St. James Palace London.

Ich bestaetige ergebenst den Empfang Ihres Telegramms von 14. Maerz in dem Sie mir mitteilen dass der Rat des Voelkerbunds die Deutsche Regierung einladet an der Pruefung der dem Rat von der Belgischen und der Franzoesischen Regierung vorgelegten Frage teilzunehmen. Die Deutsche Regierung ist Grundsaetzlich bereit die Einladung des Rates anzunehmen. Sie geht dabei von der Voraussetzung aus dass ihr Vertretern der Beratung und Beschlussfassung des Rates mit den Vertreter bei der Ratsmaechte Gleichberechtigt sein wuerde. Ich waere Ihnen dankbar wenn Sie mir dies bestaetigen wuerden. Ausserdem muss die Deutsche Regierung auf folgende Grundlegende Tatsache hinweisen. Ihr Vorgehen das der Belgischen und der Franzoesischen Regierung anlass zur Anrufung des Rates gegeben hat erschoepft sich nicht in der widderherstellung der Deutschen Souveraenitaet in der Rheinlandzone sondern ist mit unfassenden konkreten Vorschlaegen fuer eine neue Europaeische Friedenssicherung verbunden worden. Die Deutsche Regierung betrachtet ihre politische Aktion als eine Einheit deren Bestandteile nicht von einander getrennt werden durfen. Aus diesem Grunde kann sie an den Verhandlungen des Rates nur teilnehmen wenn sie die Gewissheit erhaelt dass die in Frage kommenden Maechte bereit sind alsbald ueber die Deutschen Vorschlaege in verhandlungen einzutreten. Die Deutsche Regierung wird sich zu diesem Zweck mit der Koeniglich Britischen Regierung in verbindung setzen unter deren Vorsitz die am Rheinpakt von Locarno interessierten maechte in London zu beratungen zusammengetreten sind.

Der Reichminister des Auswaertigen Freiherr

Der Reichminister des Auswaertigen Freiherr von Neurath.

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C150150

SOCIETE DES NATIONS.

Communiqué au Conseil et aux Membres de la Société.

C.138.M.77.1936.

Londres, le 16 mars 1936.

TRAITE DE GARANTIE MUTUELLE ENTRE L'ALLEMAGNE, LA BELGIQUE, LA FRANCE, LA GRANDE-BRETAGNE ET L'ITALIE, FAIT A LOCARNO LE 16 OCTOBRE 1925 : COMMUNICATION DES GOUVERNEMENT DE LA FRANCE ET DE LA BELGIQUE.

Réponse du Conseil au télégramme du Gouvernement allemand du 15 mars 1936.

Londres, le 16 mars 1936.

Ai honneur communiquer V.E. réponse Conseil votre télégramme du 15 mars 1°) L'Allemagne participera à examen par le Conseil de la question soumise par Gouvernements belge et français dans les mêmes conditions que les représentants des autres Puissances garanties dont la situation aux termes du Traité est identique à celle de l'Allemagne c'est-à-dire avec plein droit de discussion les voix de ces trois étapes n'étant pas comptées dans le calcul de l'unanimité 2°) Concernant seconde question il n'appartient pas au Conseil de donner au Gouvernement allemand les assurances qu'il désire.

AVENOL
Secrétaire général.

LEAGUE OF NATIONS.

Communicated to the Council and the Members of the League.

C.138.M.77.1936.

London, March 16th, 1936.

TREATY OF MUTUAL GUARANTEE BETWEEN GERMANY, BELGIUM, FRANCE, GREAT BRITAIN AND ITALY, DONE AT LOCARNO, OCTOBER 16th, 1925: COMMUNICATION FROM THE FRENCH AND BELGIAN GOVERNMENTS.

Reply by the Council to the German Government's Telegram of March 15th, 1936.

London, March 16th, 1936.

I have the honour to communicate to Your Excellency the reply of the Council to your telegram of March 15th. Germany will participate in the examination by the Council of the question submitted by the Belgian and French Governments on the same terms as the representatives of the other guaranteed Powers whose situation under the Treaty is the same as that of Germany; i.e. with full right of discussion, the votes of the three Powers not being counted in calculating unanimity. In regard to the second question it is not for the Council to give to the German Government the assurance which it desires.

AVENOL
Secretary-General.

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SOCIETE DES NATIONS

Communiqué au Conseil et aux Membres de la Société.

C.139.M.78.1936. C150151

Londres, le 17 mars 1936.

TRAITE DE GARANTIE MUTUELLE ENTRE L'ALLEMAGNE, LA BELGIQUE, LA FRANCE, LA GRANDE-BRETAGNE ET L'ITALIE, FAIT A LOCARNO LE 16 OCTOBRE 1925 : COMMUNICATION DES GOUVERNEMENTS DE LA FRANCE ET DE LA BELGIQUE.

Projet de résolution déposé à la séance publique du 16 mars par les Gouvernements français et belge.

"Le Conseil de la Société des Nations

Sur la requête de la Belgique et de la France dont il a été saisi le 8 mars 1936,

Constate que le Gouvernement allemand a commis une contravention à l'article 43 du Traité de Versailles en faisant pénétrer et en installant, le 7 mars 1936, des forces militaires dans la zone démilitarisée visée par les articles 42 et suivants dudit traité et par le Traité de Locarno ;

Invite le Secrétaire général, par application de l'article 4, 2°, du Traité de Locarno, à donner sans délai avis aux Puissances signataires dudit traité de la constatation qui vient d'être faite."

LEAGUE OF NATIONS.

Communicated to the Council and Members of the League.

C.139.M.78.1936.

London, March 17th, 1936.

TREATY OF MUTUAL GUARANTEE BETWEEN GERMANY, BELGIUM FRANCE, GREAT BRITAIN AND ITALY, DONE AT LOCARNO, OCTOBER 16th,1925 : COMMUNICATION FROM THE FRENCH AND BELGIAN GOVERNMENTS.

Draft Resolution submitted by the French and Belgian Governments at the public meeting on March 16th.

"The Council of the League of Nations,

On the application of Belgium and France, made to it on March 8th,1936,

Finds that the German Government has committed a breach of Article 43 of the Treaty of Versailles by causing, on March 7th,1936, military forces to enter and establish themselves in the demilitarised zone referred to in Article 42 and the following articles of that Treaty and in the Treaty of Locarno;

Instructs the Secretary General, in application of Article 4, paragraph 2 of the Treaty of Locarno, to notify this finding of the Council without delay to the Powers signatories of that Treaty.

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C150152 L-150 1D7(a)

SOCIETE DES NATIONS.

Communiqué au Conseil et aux Membres de la Société.

C.140.M.79.1936.

Londres, le 17 mars 1936.

TRAITE DE GARANTIE MUTUELLE ENTRE L'ALLEMAGNE, LA BELGIQUE, LA FRANCE, LA GRANDE-BRETAGNE ET L'ITALIE, FAIT A LOCARNO LE 16 OCTOBRE 1925 : COMMUNICATION DES GOUVERNEMENTS DE LA FRANCE ET DE LA BELGIQUE.

Réponse du Gouvernement allemand au télégramme du Secrétaire général du 16 mars 1936.

(Traduction) Berlin, le 17 mars 1936.

J'accuse réception et vous remercie de votre télégramme du 16 mars. J'ai l'honneur de vous faire savoir que Monsieur l'Ambassadeur von Ribbentrop représentera le Gouvernement allemand au Conseil de la Société des Nations pour l'examen de la question soulevée par les Gouvernements français et belge. Il se trouvera à Londres à partir de jeudi matin.

Baron von NEURATH, Ministre des Affaires étrangères.

LEAGUE OF NATIONS.

Communicated to the Council and Members of the League.

C.140.M.79.1936.

London, March 17th, 1936.

TREATY OF MUTUAL GUARANTEE BETWEEN GERMANY, BELGIUM, FRANCE, GREAT BRITAIN AND ITALY, DONE AT LOCARNO, OCTOBER 16th, 1925: COMMUNICATION FROM THE FRENCH AND BELGIAN GOVERNMENTS.

Reply from the German Government to the Secretary-General's Telegram of March 16th, 1936.

(Translation) Berlin, March 17th, 1936.

I acknowledge with thanks the receipt of your telegram of March 16th and have the honour to inform you that Ambassador von Ribbentrop will represent the German Government in the Council of the League of Nations in the examination of the question raised by the Belgian and French Governments. He will be available in London from Thursday morning onwards.

Baron von NEURATH, Minister of the Reich for Foreign Affairs.

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LEAGUE OF NATIONS

C.141.M.80.1936.

Communicated to the Council and Members of the League.

London, March 20th, 1936.

TEXT OF PROPOSALS DRAWN UP BY THE REPRESENTATIVES OF BELGIUM, FRANCE, THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND ITALY, LONDON, MARCH 19th, 1936.

Note by the Secretary-General.

At the request of the President of the Council the Secretary-General has the honour to communicate to the Council the following letter, dated March 20th, 1936, addressed to the President of the Council, with a copy of the document referred to in the letter.

FOREIGN OFFICE, S.W.1.

20th March, 1936.

Sir,

I have the honour to transmit to you herewith, for communication to the Members of the Council, the text of proposals which were drawn up on the 19th of March 1936 by the representatives of Belgium, France, the United Kingdom of Great Britain and Northern Ireland, and Italy, and which have been submitted to their respective Governments.

I have the honour to be,

Sir,

Your obedient Servant,

(Signed) Anthony EDEN.

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Undertake forthwith to instruct their General Staffs to enter into contact with a view to arranging the technical conditions in which the obligations which are binding upon them should be carried out in case of unprovoked aggression.

IV.

Decide to invite the German Government to lay before the Permanent Court of International Justice at The Hague the argument which it claims to draw from the incompatibility between the Franco-Soviet Pact of Mutual Assistance and the Treaty of Locarno, and to undertake to accept as final the decision of the said Court, without prejudice to the operation of paragraph 7 (2) below.

The French Government declares that it has already agreed that the said Court should be seized of the question stated above.

V.

Decide in the name of their Governments jointly to invite the German Government to subscribe to the following provisional arrangements which shall remain valid until the conclusion of the negotiations referred to in paragraph 7 below.

(1) All despatch of troops or war material into the zone defined by Article 42 of the Treaty of Versailles will be immediately suspended; in consequence the forces stationed there will not exceed ..... battalions and ..... batteries of artillery (insert here the official figures given by the German Government);

(2) The paramilitary forces (S.A., S.S., Labour Corps and other organisations) stationed in the said zone will be strictly maintained as they were before March 7th, 1936; in particular they shall in no case be formed into large units or serve directly or indirectly for the reinforcement of troops;

(3) No works of fortification or preparation of groundworks shall be proceeded with in the said zone. No landing ground will be laid out, equipped or improved there.

The Governments of France and of Belgium undertake similarly to suspend during the period any despatch of troops into the zones adjoining the frontiers between their countries and Germany.

VI.

Decide to take, for the same period, all the necessary measures with a view to:

(1) Create an international force, including detachments from the armies of the guarantor Powers, to be stationed, with the agreement of all the Governments concerned, in a zone contained between the Belgian-German and Franco-German frontiers on one side, and on the other a line situated to the east of the said frontiers and following them at a distance of approximately twenty kilometres, this zone being entirely reserved for occupation by the said international force;

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Text of Proposals drawn up by the Representatives of Belgium, France, United Kingdom of Great Britain and Northern Ireland and Italy.

The representatives of Belgium, France, the United Kingdom of Great Britain and Northern Ireland and of Italy, having met to examine the situation created by the communication addressed to their respective Governments by the German Government on March 7th, 1936.

I.

Take note of the draft resolution submitted to the Council of the League of Nations in the name of Belgium and France, by which the fact of the breach by Germany of Article 43 of the Treaty of Versailles has been established with a view to giving notice thereof to the Powers Signatories of the Treaty of Locarno,

They further take note of the support given to this draft resolution by the Governments of the United Kingdom and Italy.

II.

Whereas:

(1) Scrupulous respect for all treaty obligations is a fundamental principle of international life and an essential condition of the maintenance of peace;

(2) It is an essential principle of the law of nations that no Power can liberate itself from the engagements of a Treaty nor modify the stipulations thereof except with the consent of the other Contracting Parties;

(3) The breach of Article 43 of the Treaty of Versailles and the unilateral action taken by the German Government in violation of the Treaty of Locarno without recourse to the procedure laid down by the Treaty of Locarno for the settlement of disputes conflict with these principles;

Consider that:

1. By this unilateral action the German Government confers upon itself no legal rights;

2. This unilateral action by introducing a new disturbing element into the international situation must necessarily appear to be a threat to European security.

III.

Declare that nothing that has happened before or since the said breach of the Treaty of Locarno can be considered as having freed the Signatories of that Treaty from any of their obligations or guarantees and that the latter subsist in their entirety,

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Undertake forthwith to instruct their General Staffs to enter into contact with a view to arranging the technical conditions in which the obligations which are binding upon them should be carried out in case of unprovoked aggression.

IV.

Decide to invite the German Government to lay before the Permanent Court of International Justice at The Hague the argument which it claims to draw from the incompatibility between the Franco-Soviet Pact of Mutual Assistance and the Treaty of Locarno, and to undertake to accept as final the decision of the said Court, without prejudice to the operation of paragraph 7 (2) below.

The French Government declares that it has already agreed that the said Court should be seized of the question stated above.

V.

Decide in the name of their Governments jointly to invite the German Government to subscribe to the following provisional arrangements which shall remain valid until the conclusion of the negotiations referred to in paragraph 7 below.

(1) All despatch of troops or war material into the zone defined by Article 42 of the Treaty of Versailles will be immediately suspended; in consequence the forces stationed there will not exceed ..... battalions and ..... batteries of artillery (insert here the official figures given by the German Government);

(2) The paramilitary forces (S.A., S.S., Labour Corps and other organisations) stationed in the said zone will be strictly maintained as they were before March 7th, 1936; in particular they shall in no case be formed into large units or serve directly or indirectly for the reinforcement of troops;

(3) No works of fortification or preparation of groundworks shall be proceeded with in the said zone. No landing ground will be laid out, equipped or improved there.

The Governments of France and of Belgium undertake similarly to suspend during the period any despatch of troops into the zones adjoining the frontiers between their countries and Germany.

VI.

Decide to take, for the same period, all the necessary measures with a view to:

(1) Create an international force, including detachments from the armies of the guarantor Powers, to be stationed, with the agreement of all the Governments concerned, in a zone contained between the Belgian-German and Franco-German frontiers on one side, and on the other a line situated to the east of the said frontiers and following them at a distance of approximately twenty kilometres, this zone being entirely reserved for occupation by the said international force;

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(2) Set up an international commission whose duty it shall be to supervise the carrying out of the obligations undertaken by the Powers which have formed the above-mentioned force, as well as by Belgium, France and Germany for the eventual execution of Paragraphs V and VI (1) above.

VII.

Taking note of the proposals made by Germany in the memorandum communicated to them on March 7th.

Decide, so far as they are concerned to propose to the German Government, if that Government explicitly accepts the invitations addressed to it in pursuance of the preceding paragraphs, that it should take part in negotiations which would be based in particular on the following elements:

(1) Examination of the proposals Nos. 2 to 5 made by Germany in the memorandum of March 7th;

(2) Revision of the status of the Rhineland;

(3) Drawing up of mutual assistance pacts open to all the signatories of the Treaty of Locarno and intended to reinforce their security.

So far as concerns the Four Powers represented in London the reinforcement of their security provided for will include in particular obligations of mutual assistance between Belgium, France, the United Kingdom and Italy, or any of them, with suitable provisions to ensure prompt action by the signatories in case of need as well as technical arrangements for the preparation of such measures as would ensure the effective execution of the obligations undertaken.

Further, the four Powers declare that they have agreed to press in the course of the negotiations for the adoption of provisions intended to prohibit or to limit the subsequent establishment of fortifications in a zone to be determined.

VIII.

Considering that the maintenance of peace and the organisation of collective security can only be assured by the respect for treaties and the limitation of armaments; that the re-establishment of economic relations between the nations on a healthy basis is equally necessary to the process of reconstruction.

Declare themselves ready:-

To support the introduction at the Council of the League of Nations of resolutions proposing to invite all the nations concerned to an international conference which would in particular examine:-

1. Agreements organising on a precise and effective basis the system of collective security and paying attention to the definition of the conditions in which Article XVI of the Covenant of the League of Nations should be applied;

2. Agreements tending to assure the effective limitation of armaments;

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3. International arrangements having as their object the extension of economic relations and the organisation of commerce between the nations;

4. The proposals 6 and 7 made by the German Government in their memorandum of March 7th, as well as the suggestions made subsequently in regard to Austria and Czechoslovakia.

IX.

Recalling that, under Article 7 of the Treaty of Locarno, the obligations devolving upon their respective Governments do not restrict the duty of the League of Nations to take whatever action may be deemed wise and effectual to safeguard the peace of the world,

Referring to the resolution of the Council of the League of Nations of the 17th April, 1935, regarding the course to be adopted by the members of the League of Nations in the event of the unilateral repudiation of undertakings concerning the security of peoples and the maintenance of peace in Europe.

Decide:-

1. to notify the Council of the League of Nations, under Article 11 of the Covenant, of the unilateral action taken by Germany, action which appears a danger for European security and a threat to peace,

2. consequently to propose the annexed resolutions to the Council of the League of Nations, it being understood that the German Government would be entitled to present its observations on the subject.

Draft Resolution to be Presented to the Council of the League of Nations.

I. The Council:

Recalling that it has itself on several occasions recognised, as has also the Assembly, the importance of the Treaties of Locarno from the point of view of the maintenance of peace and security.

Considering that:

1. scrupulous respect for all treaty obligations is a fundamental principle of international life and an essential condition of the maintenance of peace;

2. it is an essential principle of the law of nations that no Power can liberate itself from the engagements of a Treaty nor modify the stipulations thereof unless with the consent of the other contracting parties;

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3. the breach of Article 43 of the Treaty of Versailles and the unilateral action taken by the German Government in violation of the Treaty of Locarno without recourse to the procedure laid down by the Treaty of Locarno for the settlement of disputes, conflicts with these principles;

considers that:

1. by this unilateral action the German Government confers upon itself no legal rights;

2. this unilateral action, by introducing a new disturbing element into the international situation, must necessarily appear to be a threat to European security.

Entrusts a committee composed of ..... with the task of making proposals to it with regard to the practical measures to be recommended to the members of the League of Nations.

II. Considering:-

that the German Government has claimed that the Franco-Soviet Pact of Mutual Assistance is incompatible with the Treaty of Locarno and that in consequence of this incompatibility that Government was justified, not only in denouncing the said Treaty but also in introducing its troops into the demilitarized zone,

that there thus arises a juridical question which might be usefully taken before the Permanent Court of International Justice if the interested Powers were to declare themselves ready to comply with the decision of the Court, as the French Government for its part has already agreed to do,

the Council:-

invites the German Government to notify the Permanent Court of International Justice of the question thus defined and in the conditions indicated above and to request it to give its decision as soon as possible, it being understood that the parties will at once comply with the ruling of the Court.

III. Considering:-

that the unilateral action of Germany has necessarily appeared to be a threat to European peace and that in consequence it ought, without prejudice to the application of Articles I and IV of the Locarno Treaty, to bring about on the part of the members of the League of Nations, by application of, and in accordance with the terms of Article 11 of the Covenant, the adoption of any action that may be deemed wise and effectual to safeguard the peace of nations;

The Council takes note:-

1. of the declaration drawn up in the name of Belgium, France, the United Kingdom and Italy, as regards the maintenance in force for those Powers of the rights and obligations resulting from the Treaty of Locarno;

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2. of the communications made to it by the Governments of Belgium, France, the United Kingdom and Italy on the subject of the measures contemplated in respect of the situation created by the violation of the zone defined in Article 42 of the Treaty of Versailles.

Letters to be addressed by the Representatives of the United Kingdom and Italy to the Representatives of Belgium and France.

At the moment when the representatives of Belgium, France, Great Britain and Italy have just decided, as provided in to-day's arrangement, the common line of conduct of their respective Governments, I am authorised to give you the official assurance that, if the effort of conciliation attempted in the said arrangement should fail, His Majesty's Government in the United Kingdom:-
The Italian Government

1. (a) Will at once consider, in consultation with your Government and the French Belgium Government, the steps to be taken to meet the new situation thus created;

(b) Will immediately come to the assistance of your Government, in accordance with the Treaty of Locarno, in respect of any measures which shall be jointly decided upon;

(c) Will, in return for reciprocal assurances from your Government, take, in consultation with your Government all practical measures available to His Majesty's Government for the purpose of ensuring the security of your country against unprovoked aggression;

(d) Will, for this purpose, establish or continue the contact between the General Staffs of our two countries contemplated in paragraph III (2) of the said arrangement;

2. And furthermore, will subsequently endeavour at the Council of the League of Nations to secure the formulation by the latter of all useful recommendations for the maintenance of peace and the respect for international law.

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LEAGUE OF NATIONS INFORMATION
SECTION'S BULLETIN - March 20th, 1936. C150160

Council League met London last Saturday to consider Belgian French Governments' request for declaration that German Government in denouncing Treaty Locarno and introducing troops into Rhineland zone demilitarized by Treaty Versailles had infringed Article 43 Versailles Treaty and Article 1 Locarno Treaty.

Session being held at Saint James Palace, President Mr. Bruce, Australia.

At first meeting Belgium invited as complainant and signatory Treaty Locarno to sit with Council, was represented by Van Zeeland, Prime Minister. Germany was asked at same time as Belgium to state whether desired to be represented but had not replied at opening session. Council began by sending Germany invitation subsequent meetings calling on her to participate in Council consideration of request as contracting party Locarno Treaty. Germany replied accepting subject certain conditions which examined by Council. Council replied affirmatively to Germany's question whether in Council discussion she would have same rights as all other parties dispute but declared it was not for Council give German Government assurance that its proposals accompanying denunciation Locarno Treaty could be subject of negotiations at same time as fact of denunciation itself. Finally, German Government, represented on Council by Von Ribbentrop, who was present meetings March nineteenth. Meanwhile, Council had begun consider French Belgium request at meeting Saturday fourteenth. Flandin, French

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Foreign Minister and Van Zeeland, Belgian Premier, had stated views their respective countries. They emphasized Treaty Locarno does not permit of unilateral denunciation and lays down procedure arbitration and recourse to Permanent Court International Justice in case of divergency views between contracting parties. Flandin further declared that conclusion Franco-Russian Treaty put forward by Germany as reason for denouncing Locarno was not valid excuse. Van Zeeland had asserted in any case this reason was non-existent vis-a-vis Belgium. In conclusion, Flandin, on behalf French Belgian Governments proposed draft resolution whereby Council League would declare German Government infringed Article 43 Treaty Versailles by introducing and establishing military forces in demilitarized zone referred to in Articles 43 following of Versailles Treaty and by Locarno Treaty and request Secretary General League under Article 4, paragraph 2, Locarno to notify without delay powers signatory Treaty of breach that has been committeed. Most Members Council gave views on draft resolution in particular representatives Turkey, U.S.S.R., Chile, United Kingdom, Italy, Poland, Spain, Argentine, Denmark, Roumania, Portugal, Australia. Specially noteworthy were protest of U.S.S.R. representative against conclusions drawn by Germany from Franco-Russian Treaty, declaration Chilean representative recommending consultation Permanent Court International Justice on compatibility Franco-Russian Treaty with Locarno, declarations United Kingdom Italy, guarantors Locarno, agreeing violation had been

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committed as did also other Council Members. Von Ribbentrop, at public meeting nineteenth, stated Germany's arguments maintaining that conclusion Franco-Russian Treaty created new political situation in her view incompatible with spirit Locarno and pointing out that while denouncing this Treaty Germany had also made constructive proposals new peaceful system Europe. Ended by expressing "hope Council would forget (susceptibi = suspicions?) aroused by present situationand understand important historic decision which it was called upon to take and which was to prepare a way toward better future for our troubled and unhappy Europe." Council voted by roll call on Franco-Belgian resolution which was unanimously adopted, Chilean representative abstaining and Ecuador absent. German representative voted against but neither his vote nor those of Belgium and France voting yes counted under Locarno Treaty for purpose of unanimity. This vote did not end Council session. Proposed arrangement has been laid before it by Belgian French United Kingdom Italian representatives suitable in their view for replacing Locarno Treaty. Council has considered action to be taken this communication but so far not finally decided procedure. Further March twenty-first meeting will probably be held Committee Thirteen charged by Council follow developments Italo-Ethiopian Affairs.

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SOCIETE DES NATIONS. **C150163**

Communiqué au Conseil et aux Membres de la Société.

C.145.M.84.1936.

Londres, le 24 mars 1936.

TRAITE DE GARANTIE MUTUELLE ENTRE L'ALLEMAGNE, LA BELGIQUE, LA FRANCE, LA GRANDE-BRETAGNE ET L'ITALIE, FAIT A LOCARNO LE 16 OCTOBRE 1925: COMMUNICATION DES GOUVERNEMENTS DE LA FRANCE ET DE LA BELGIQUE.

Résolution adoptée par le Conseil le 24 mars 1936.

LE CONSEIL,

Remercie le Représentant du Royaume-Uni de la communication qu'il lui a adressée le 20 mars 1936, transmettant le texte des propositions établies le 19 mars 1936 par les Représentants des Membres de la Société signataires du Traité de Locarno et qui sont actuellement examinées par les Gouvernements;

Estime que toute action de la part du Conseil doit, pour le moment, être suspendue en raison des conversations en cours;

Invite lesdits Gouvernements à le tenir au courant du développement de ces conversations;

Décide de se réunir à nouveau dès que les circonstances indiqueront qu'il est désirable de poursuivre l'examen de la question.

LEAGUE OF NATIONS.

Communicated to the Council and Members of the League.

C.145.M.84.1936.

London, March 24th, 1936.

TREATY OF MUTUAL GUARANTEE BETWEEN GERMANY, BELGIUM, FRANCE, GREAT BRITAIN AND ITALY, DONE AT LOCARNO, OCTOBER 16th, 1925; COMMUNICATION FROM THE FRENCH AND BELGIAN GOVERNMENTS.

Resolution adopted by the Council on March 24th, 1936.

THE COUNCIL,

Thanks the Representative of the United Kingdom for his communication dated 20th March, 1936, transmitting the text of proposals drawn up on the 19th March, 1936, by the representatives of the Members of the League who are signatories of the Treaty of Locarno, and which are now under consideration by the respective Governments,

Considers that any further action on its part should remain in abeyance for the present in view of the conversations which are being carried on,

Invites the said Governments to keep it advised of the progress of these conversations,

Decides to meet again as soon as circumstances render further consideration of the question desirable.

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C150161
JUN 16 1937

LEAGUE OF NATIONS.

Communicated to the Council and Members of the League.

C.256.M.172.1937.VII.

Geneva, May 26th, 1937.

COMMUNICATION FROM HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM AND FROM THE FRENCH GOVERNMENT.

Geneva, May 26th, 1937.

To the Secretary-General.

We have the honour to make the following communication:

The preparatory exchange of views which has recently been taking place between the signatories of the Treaty of Locarno with a view to the negotiation of a new Western European Security Pact to replace that instrument has shown on the one hand, that in any new Treaty Belgium would wish to give no guarantees to other States and on the other hand, that the other four Governments concerned in the negotiations would be prepared to agree that Belgium should not undertake to guarantee other States in the new Treaty. In view of the delay experienced in negotiating the new Treaty it was decided to give effect to the wish of the Belgian Government to be released in advance from their remaining obligations under the Locarno Treaty and the arrangements of 19th March, 1936.

The joint note addressed by the Government of the French Republic and by His Majesty's Government in the United Kingdom to the Belgian Government on this subject has been registered in accordance with the terms of the Covenant. In this note the French Government and His Majesty's Government declare that they consider Belgium released from all obligations towards them resulting from the Treaty of Locarno and the arrangements of 19th March, 1936, and that they have taken note of certain views expressed by the Belgian Government relating to their fidelity to the Covenant of the League of Nations and their determination efficiently to organise the defence of Belgium against any aggression or invasion.

This exchange of notes in no way affects the obligations of any other country but Belgium. It is indeed expressly stated therein that neither the undertakings of France and the United Kingdom towards Belgium, nor the existing undertakings between the United Kingdom and France are affected.

The Government of the French Republic and His Majesty's Government in the United Kingdom regard the arrangement thus concluded as a means of facilitating with the collaboration of the other interested Powers, the settlement of those problems, the solution of which is essential to the peace of Europe.

We have the honour to be, etc.

(Signed) Yvon DELBOS. (Signed) Anthony EDEN.

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L.C. CHRISTIE JUNE 3, 1936.

LCC/

C150165

PROPOSED REVISION OF THE STRAITS CONVENTION WITH TURKEY

MONTREUX CONFERENCE, JUNE 22,1936

1. At Turkey's request a conference is to be held at Montreux to revise the Convention relating to the Regime of the Straits, signed at Lausanne, July 24, 1923. As the Convention was originally signed and ratified for "the British Empire", and as the United Kingdom delegates will sign the proposed new Convention for the United Kingdom alone, the technical questions arise whether Canada's consent to the modifications of the original Convention will be necessary and, if so, by what procedure it should be given. (See telegrams from the Dominions Office of May 22nd and 29th, 1936, Circular B.87 and B.94, and from the High Commissioner in London of May 30th, No. 192.)

2. The Turkish proposal for modifying the Convention involves:

(a) The abrogation of the clauses which demilitarized certain zones and islands along the shores of the Dardanelles and the Bosphorus and in the Sea of Marmora and the Aegean Sea.

(b) The amendment of the clauses regulating the passage of warships, etc., through the Straits.

(c) Possibly a new definition of Turkey's position as a neutral relative to navigation through the Straits.

(d) Possibly a new provision regarding the sanitary dues of vessels in transit.

3. The main purpose is to relieve Turkey of obligations; but it is also proposed to abrogate the only clause which imposed active obligations upon the other Signatories -

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i.e., Article 18, by which "the High Contracting Parties, and in any case France, Great Britain, Italy and Japan, acting in conjunction", gave Turkey certain military guarantees of the freedom of the Straits and the security of the demilitarized zones.

4. It will be recalled that Canada was neither invited to nor participated in the Lausanne Conferences of 1922 and 1923, and neither participated in nor authorized signature or ratification of the Straits Convention or of any of the other Lausanne instruments. The Government's position was that, while it took no exception to the Lausanne procedure for negotiation and signature or to the ratification given on the advice of the United Kingdom alone (being willing to accept the view evidently held by the main participants that Canada had no direct or immediate interest), yet since the Versailles and Washington Conference procedure had not been followed, Canada was not warranted in signifying concurrence in the ratification. This attitude was in harmony with the Resolution of the Imperial Conference, 1923. (See Sessional Paper No. 232 of 1924: Lausanne Conference and Treaty - Exchange of telegrams between the British and Canadian Governments.)

5. It was recognized that legally and technically Canada, as a part of the British Empire, was bound by the Lausanne agreements. Nevertheless the Prime Minister in the 1924 debate pointed out that "the moral obligation resting upon this Parliament and country under this Treaty, when it is ratified, having regard to the different manner in which the whole negotiations were carried on, will be

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vastly different to the moral obligation which is imposed upon the country under the Treaty of Versailles". At another place he indicated the position as follows:-

> "There is a distinction to be drawn between the purely legal and technical position in which this Dominion may be placed and the moral obligations which arise under treaties depending upon the manner in which such treaties are entered into, upon the parties who are present, and the representative capacities in which they acted while negotiations were proceeding. Legally and technically Canada will be bound by the ratification of this treaty; in other words, speaking internationally the whole British Empire in relation to the rest of the world will stand as one when this treaty is ratified. But as respects the obligations arising out of the treaty itself, speaking now of inter-imperial obligations this parliament, if regard is to be had to the representations which from the outset we have made to the British government, will in no way be bound by any obligation beyond that which parliament of its own volition recognizes as arising out of the situation."

This position as to active obligations was supported by references to constitutional writers in the United Kingdom. (See Debates, House of Commons, Session 1924, Vol. 3, pp. 2928-37.)

6. As it is intended, properly, that the United Kingdom delegates shall sign the new Convention for the United Kingdom alone, there appears to be a legal or technical necessity that Canada should take some formal means to signify her consent to the proposed modifications of the old Convention. Indeed, since it is proposed to strike out the guarantee it seems definitely desirable to facilitate the new regime: not that we recognize any real obligation but that a nuisance and conceivably worse will be removed.

7. As for the means of signifying consent, it seems entirely unnecessary that Canada should either be represented at the Montreux Conference or sign any multilateral instrument or instruments concluded there. An exchange of notes

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between Canada and Turkey, as suggested by the Dominion Office, seems enough. The drafting of the notes can be settled in due course when more is known.

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OFFICE OF THE PRIME MINISTER

MEMORANDUM

C150169

Mr. King:

Re: Trade Agreement and
Rainy Lake Treaty.

Mr. Robertson says that it is customary for the King to write:

"Approved
George R.I."

at the upper left-hand corner of the submission.

Also that the King signs each of the Instruments of Ratification just above to the right of the Great Seal of Canada which is already on the back page.

E.H.

May 19, 1939

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MEMORANDUM FOR THE PRIME MINISTER:

ODS/ET
17 May, 1939

Signature of Instruments of Ratification.

C150170

When the Instruments of Ratification of the two treaties are being signed by His Majesty, or rather just before they are signed, it is considered desirable that the attached recommendations for affixing the Seal should be signed by the Secretary of State for External Affairs at the bottom as indicated and at the top lefthand corner by the King.

This recommendation is a simple version of the warrant as used in England supporting the application of the Great Seal.

The King's signature on the Instrument of Ratification is the formal indication to the United States that we have accepted the treaty. The King's signature on the present document indicates that the signature of the Instrument of Ratification by the King was done on the advice and responsibility of his Minister who signed the Recommendation.

The recommendations are enclosed herewith, and will require to be taken to Government House on Friday for signature.

The Instruments of Ratification themselves, which are bulky, have been sent to Government House and will be ready there for the King's signature.

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file

ODS. 50 V.17(a)

14 June, 1939

C150171

Treaties - Rush - Bagot Agreement

SECRET

MEMORANDUM FOR THE
PRIME MINISTER:

RUSH-BAGOT AGREEMENT

During your absence the United States raised some questions regarding the operation of the Rush-Bagot Agreement, which required an early answer. Attached is a brief note, with the essential documents.

O.D.

O. D. SKELTON

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DEPARTMENT OF EXTERNAL AFFAIRS [redacted]

CONFIDENTIAL

C150172

Ottawa, June 12, 1939.

INFORMAL EXCHANGE OF LETTERS DATED JUNE 9 AND 10, 1939, BETWEEN UNITED STATES LEGATION AND DEPARTMENT OF EXTERNAL AFFAIRS, RESPECTING THE RUSH-BAGOT AGREEMENT OF 1817.

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1. Attached hereto are copies of the United States Minister's letter of June 9th (marked "A") and of the reply made by the Under Secretary of State for External Affairs on June 10th (marked "B").

2. Originally the United States Secretary of State suggested that the object in view might be attained by "unilateral interpretations" of the Rush-Bagot Agreement. On May 18th the Counsellor of the United States Legation called to explain the suggestion and left a copy of a draft letter which Mr. Hull proposed to send to Admiral Leahy, Acting Secretary of the Navy, as a means of effecting such an interpretation. (Copy attached hereto, marked "C".)

3. After consultation with the Department of National Defence it was felt that any kind of procedure contemplating unilateral interpretations would be undesirable. If new naval measures touching the Great Lakes were mutually held to be necessary or desirable and, at the same time, to be consistent with the spirit of the Agreement, it was felt there should be consultation and agreement between the two Governments

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covered by informal correspondence, as in the case of various similar instances in the past. This view was included in a memorandum of May 27th, entitled "Summary of Observations on Interpretation of Rush-Bagot Agreement", which was handed informally to the United States Legation. (Copy attached hereto, marked "D".) Subsequently the Department, in consultation with Mr. Lapointe the Acting Prime Minister and Secretary of State for External Affairs and the Department of National Defence, and the Legation, in consultation with the State Department in Washington, agreed upon the wording of the letters actually exchanged, as attached hereto. It will be seen from the letters that the view above mentioned was accepted by Mr. Hull.

4. As regards most of the specific measures involved, it may be noted that this exchange of letters cannot be regarded as constituting an "interpretation" of the Rush-Bagot Agreement. Such measures are agreed to be consistent with the underlying objective of the Agreement, but they could scarcely by any stretch be interpreted as falling within its technical definitions. Since a formal revision of the Agreement is agreed to be impracticable at the present time, the safest course for each case of a technical departure from the strict wording of the Agreement is to see to it that on a reasonable view the departure does not really impair the underlying objective, and then to cover it by a frank exchange of correspondence specifically limiting and recording the extent of the departure. In fact this is the course followed in a number of cases in the past.

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The present negotiation shows the importance of adhering to this practice in all future cases without exception.

5. Though they are not marked as confidential, it is not intended to publish the letters. The correspondence touching similar instances in the past has not been published. At the same time the possibility is recognized on both sides that circumstances might arise which would render publication necessary or expedient.

Read & approved
Mackenzie
June 22. 1939

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A
C150175

LEGATION OF THE
UNITED STATES OF AMERICA

Ottawa, Canada,
June 9, 1939.

My dear Dr. Skelton:

In a confidential letter addressed to the Secretary of State on January 31, 1939, Admiral Leahy, the Acting Secretary of the Navy, raised certain questions regarding the Rush-Bagot Agreement of 1817. Among other things, Admiral Leahy requested the views of Mr. Hull concerning the mounting of two 4-inch guns on each of the American naval vessels on the Great Lakes, to be used in firing target practice in connection with the training of naval reserves. He inquired, if this was considered improper, concerning the possibility of modifying the Rush-Bagot Agreement to permit this practice. The question was subsequently the subject of informal conversations between officers of our State and Navy Departments.

After careful consideration of the problem, Mr. Hull is inclined to the opinion that a modification of the Rush-Bagot Agreement would be undesirable at this time. It is clear from a study of the documents relating to the negotiation of the Agreement and its early history that the objective of the negotiators was to provide a solution of an immediate and urgent problem arising out of the war of 1812 and the terms

Dr. O.D. Skelton,
Under-Secretary of State
for External Affairs,
Ottawa.

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of the Agreement themselves support the view that its indefinite continuation in force was not anticipated. Consequently, from a naval standpoint, its provisions have long been out of date, but in spite of numerous vicissitudes the Agreement itself has survived unchanged for more than one hundred and twenty years and, with the passage of time, has assumed a symbolic importance in the eyes of our own and Canadian citizens. It is true that shortly after the World War modification of the Agreement was studied in this country and in Canada, with a view to making its provisions conform more closely to modern conditions, and a stage was even reached where the Governments exchanged drafts of suggested changes. The proposed changes were never actually agreed upon, however, and Mr. Hull is inclined to think that the two Governments were wise to allow the matter to fall into abeyance, since it is highly debatable whether the realization of their limited objectives would have compensated for the disappearance of the 1817 Agreement as a symbol of the friendly relations between the two countries for over a century.

It was perhaps inevitable that an agreement, the technical provisions of which became obsolete more than half a century ago, should from time to time have been subjected to what may have been considered technical violations by both parties, and of such instances there is a clear record. We believe it can be successfully maintained, however, that without a degree of tolerance the Agreement could scarcely have survived to the

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present day in its original form. But it is a fact of equal significance that even when the two Governments felt compelled to depart from a strict observance of its terms they were concerned that the spirit underlying it should be preserved.

I understand from information furnished by our Navy Department that the following five vessels of the United States Navy are now serving on the Great Lakes:

Ship	Launched	Present Location	Displacement	Battery
DUBUQUE	1905	Detroit	1085	None
HAWK	1891	Michigan City	375	None
PADUCAH	1905	Duluth	1085	None
WILMINGTON	1897	Toledo	1392	None
WILMETTE	1903	Chicago	2600	4-4" /50 2-3" /50 A.A. 2-1 pdr.

In a number of respects the presence there of these vessels may not be considered entirely in keeping with a literal interpretation of the Rush-Bagot Agreement. On the other hand, it seems proper to take into account the fact that the vessels of our Navy now on the Great Lakes are there with the knowledge of the Canadian Government, written permission having been obtained for the passage of four of them through the Canadian canals en route to their stations. The case of the Wilmette is somewhat different, this vessel having been constructed on the lakes as a commercial vessel and subsequently taken over by our Navy during the World War.

In considering the number and size, disposition, functions and armaments of naval vessels in relation to the provisions of the Rush-Bagot Agreement, it is

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Mr. Hull's view, with which I feel sure you will agree, that the primary concern of both Governments is to maintain at all costs the spirit which underlies that Agreement ahd which is representative of the feelings of the Canadian and American people toward each other. With that clear objective in mind, Mr. Hull wishes me to make the following observations.

(1) Number and size of vessels. As indicated above, the United States Navy now has five vessels, all "unclassified", on the Great Lakes. In the discussion of this problem between officials of the State and Navy Departments, the fact was brought out that approximately one third of the national naval reserve personnel in the United States is concentrated in the region of which Chicago is the center. The need for adequate training of this personnel is clear and I am given to understand that even with our present five vessels on the Great Lakes our facilities are strained. A possible alternative would be to transport these reserves to the Atlantic Coast every summer for the customary two weeks' training period, but I am told that the cost of so transporting even a small fraction of these reserves would in all probability be prohibitive. In the circumstances and in view of the fact that these five vessels have been maintained on the Great Lakes since the war without objection on the part of the Canadian Government, Mr. Hull is inclined to think that the withdrawal of one of them would not be necessary.

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Mr. Hull would be reluctant, however, to see American vessels on the Great Lakes increased beyond the present number, omitting from this calculation vessels which are "retained immobile" and used solely as floating barracks for naval reserves. The Canadian Government has in the past given permission for vessels of the latter category to be maintained on the Great Lakes and, it is hoped, would give sympathetic consideration to any similar requests which might be made in the future.

It is my understanding that the Sacramento, a vessel of 1,140 tons launched in 1914 and similar in size and type to vessels already on the Great Lakes, is now returning from China, her usefulness as an active naval vessel in regular commission having passed. I am informed that the Navy Department will probably wish this vessel to take the place of the Hawk, but that this will not involve an increase in the number of our naval vessels on the lakes. A formal request of your Government for permission for this vessel to proceed to the Great Lakes through Canadian waters will be made in due course.

With regard to the size of these vessels, it has been noted that all are of more than one hundred tons burden, the limit imposed by the Agreement. The change from wood to steel around the middle of the last century, along with other factors, contributed toward rendering this part of the Agreement obsolete.
To our knowledge no objection has been taken by the Canadian Government to the presence on the Great Lakes of naval vessels of more than one hundred tons burden

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and there would be no inclination to question the maintenance by Canada of vessels similar to ours now operating there. It appears to have been the practice of our Navy Department for many years to station on the Great Lakes only "unclassified" vessels that have long since outlived their usefulness in terms of modern warfare and that have a draft of not more than fourteen feet. I understand that these vessels have and could have no use except to provide elementary training for naval reserves. Mr. Hull believes that it would be desirable to continue this policy, which goes beyond the objectives of the 1817 Agreement, but which is so clearly in keeping with the present temper of public opinion. He is so informing the Navy Department.

(2) Disposition of Vessels. At the time the Rush-Bagot Agreement was negotiated the Great Lakes were independent inland waters with no navigable connection between them and the ocean or, in most cases, between the lakes themselves. This geographical fact was no doubt largely responsible for the provision of the Agreement which allotted one vessel to Lake Champlain, one to Lake Ontario and two to the so-called "Upper Lakes". That situation, of course, no longer exists, and Mr. Hull would not regard it as unreasonable or contrary to the spirit of the Rush-Bagot Agreement to have the naval vessels of each party move freely in the Great Lakes basin or to "maintain" them at any port or ports in the lakes. Were the Canadian Government to act in accordance with such an interpretation, it is certain that no objection would be taken.

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(3) Functions of the Vessels. In his letter of January 31, last, Admiral Leahy inquired whether the firing of target practice on the Great Lakes was consistent with the provisions of the Rush-Bagot Agreement. Since the Agreement is silent with respect to the functions of the naval vessels maintained by the two parties on the Great Lakes, other than to state that the naval force of each party is to be restricted to such services as will in no respect interfere with the proper duties of the armed vessels of the other party, it is clearly within the letter as well as the spirit of the Agreement for the naval vessels of both parties to be employed in the training of naval reserves or in any other normal activity, including the firing of target practice, within their respective territorial waters. Mr. Hull is so informing the Navy Department.

(4) Armaments. In Admiral Leahy's letter, the hope was expressed that the Rush-Bagot Agreement might be modified so as to permit each of our naval vessels to carry not over two 4-inch guns.

The Agreement itself provides that each of the naval vessels maintained by each Government may carry one 18-pound cannon. It is my understanding that the shell for a 3-inch gun weighs approximately fourteen pounds and the shell for a 4-inch gun approximately thirty pounds. It would therefore be within the scope of the Agreement for each of the naval vessels in question to carry one 3-inch gun. In the discussions

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between officers of the State and Navy Departments, however, it was brought out that since the 4-inch gun is now what is considered "standard equipment", whereas the 3-inch gun is not, the use of the former is much more desirable from the point of view of giving adequate training to our naval reserves.

After careful consideration of this problem, Mr. Hull is of the opinion that the following proposal would be in harmony with the spirit of the Rush-Bagot Agreement; namely, the placing of two 4-inch guns on each of three naval vessels on the Great Lakes, and the removal of all other armaments, subject to certain conditions. These are that the firing of target practice be confined to the territorial waters of the United States, and that the 4-inch guns be dismantled except in the summer season during the period of the training of naval reserves.

There remains a question which is of definite interest to both Governments, namely, the construction of naval vessels in shipyards situated on the Great Lakes. The State Department has recently received renewed inquiries on this question.

The Rush-Bagot Agreement, after providing for the maintenance of four naval vessels of each party on the Great Lakes, stipulated that

> "All other armed vessels on those lakes shall be forthwith dismantled and no other vessels of war shall be there built or armed."

The provision just quoted should, Mr. Hull believes, be read in the light of the geographical factor to which

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reference has already been made. At a time when there was no navigable connection between the Great Lakes and the Atlantic Ocean, it was obvious that naval vessels constructed on the lakes could only be intended for use in those waters. Mr. Hull is satisfied that it was this contingency alone which the contracting parties wished to guard against, for no evidence whatever exists to suggest that either party at any time considered that the Agreement should affect the naval forces of the two countries outside the Great Lakes area.

In the circumstances, Mr. Hull believes that it would be entirely in harmony with the intent of the negotiators and the spirit of the Agreement for either country to permit naval vessels, unquestionably intended for tidewater service only, to be constructed in shipyards situated on the Great Lakes. In order carefully to preserve the intent of the Agreement, however, it is believed that prior to the commencement of construction each Government should provide the other with full information concerning any naval vessels to be constructed at Great Lake ports; that such vessels should immediately be removed from the lakes upon their completion; and that no armaments whatever should be installed until the vessels reach the seaboard.

I shall be happy to receive for Mr. Hull's informal and confidential information any observations which you may wish to make with regard to the questions touched on in this letter.

Sincerely yours,

David C. Roper.

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[redacted] B

C150184

Ottawa, 10th June, 1939

My dear Mr. Roper,

I have consulted the Acting Prime Minister and Secretary of State for External Affairs and the Department of National Defence concerning your informal letter of June 9th, 1939, which conveys the observations of the Secretary of State of the United States upon certain questions raised by the United States Navy Department regarding the Rush-Bagot Agreement of 1817.

The Canadian Government concur fully in the desirability of preserving this long-standing Agreement which has been of such inestimable value in furthering the ideals of good neighbourhood in this region of the world. It is also recognised that the great changes in technical, industrial, water transport and population conditions which have occurred in the meantime, while in no sense altering the desire of both peoples to maintain the underlying spirit and objective of the Agreement, have rendered its technical scheme and

The Honourable Daniel C. Roper,
Minister of the United States of America,
United States Legation,
Ottawa.

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definitions somewhat out of date. It might be urged that the logical method of dealing with the changed situation would be the conclusion of some formal revision of the Agreement, but it is further recognised that the drafting of a new document which would cover present and future considerations of interest to both countries might present difficulties at the present time, and it is noted that Mr. Hull is inclined to the opinion that this would be undesirable.

If formal revision is, as we agree, impracticable, it is nevertheless recognised that there are certain measures which are mutually considered to be practically necessary or desirable and, at the same time, to be consistent with the underlying objective of the Agreement though not strictly consistent with its technical scheme or definitions. In the case of various instances of this character which have occurred in the past, the two Governments have consulted and made appropriate dispositions by means of correspondence. It is felt that such procedure, which appears to be essentially inherent in the underlying spirit and objective, should be pursued as regards any new practical measures concerning naval

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C150186

vessels on the Great Lakes which may be contemplated at the present moment or in the future.

In the light of these general considerations it will be convenient to give you the views of the Canadian Government regarding the particular measures which your Government now consider desirable and which have been described in your letter under separate headings.

(1) Number and size of vessels. I note that there is no proposal to increase the present number of United States naval vessels on the Great Lakes. As regards the proposed substitution of the HAWK, which is now on the Lakes, by another vessel, the SACRAMENTO, it is noted also that a formal request of the Canadian Government for permission for the latter vessel to proceed into the Great Lakes through Canadian waters will be made in due course. The Canadian authorities will be agreeable to this substitution, and I assume that at the time particular information will be given as to the disposition of the HAWK as well as a description of the SACRAMENTO and the purpose of the substitution.

(2) Disposition of Vessels. It is recognised, for the reasons indicated in your letter, that it would be consistent with the underlying purpose of the

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Agreement to have the naval vessels of each party move freely in the Great Lakes or to maintain them at any of its ports in the Lakes.

(3) Functions of the Vessels. The Rush-Bagot Agreement, as your letter points out, is silent with respect to the functions of the naval vessels maintained by the two parties on the Great Lakes other than to state that the naval force of each party is to be restricted to such services as will in no respect interfere with the proper duties of the armed vessels of the other party. The Canadian Government accordingly recognises that it is within the letter as well as the spirit of the Agreement for such naval vessels of both parties to be employed in the training of naval reserves, or in any other normal activity, including the firing of target practice, within their respective territorial waters.

(4) Armaments. It appears that in view of present-day technical conditions, the United States naval authorities regard 3-inch guns as no longer adequate for the purpose of training naval reserves, whereas 4-inch guns, though not strictly within the technical definition of the Agreement, would be suitable for that purpose. Accordingly Mr. Hull suggests

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the following proposal as being in harmony with the spirit of the Agreement, namely, the placing of two 4-inch guns on each of three of the United States naval vessels on the Great Lakes and the removal of all other armaments, subject to certain conditions. These conditions are that the firing of target practice be confined to the territorial waters of the United States and that the 4-inch guns be dismantled except in the summer season during the period of the training of naval reserves. The Canadian naval authorities concur in the view of the United States naval authorities above indicated, and the Canadian Government agree that Mr. Hull's proposal is consistent with the underlying purpose and spirit of the Agreement. It is assumed that in due course the Canadian Government will be informed of the names of the vessels upon which the 4-inch guns have been placed. It is also assumed that, should any alteration as regards armament take place in any of the five vessels in the future, particulars will be furnished.

A further particular question is raised by your letter, namely, the construction of naval vessels in shipyards situated on the Great Lakes. Careful consideration has been given to Mr. Hull's observations

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regarding the changes in actual conditions that have occurred in this regard during the past century, and to the suggestion he has made in order to preserve the intent of the Agreement. The suggestion is that prior to the commencement of construction, each Government should provide the other with full information concerning any naval vessels to be constructed at Great Lakes ports; that such vessels should immediately be removed from the Lakes upon their completion; and that no armaments whatever should be installed until the vessels reach the seaboard. The Canadian Government appreciate the force of Mr. Hull's observations, and they agree that his particular suggestion would be consistent with the underlying objective of the Agreement. They would understand that in the case of each vessel so constructed, when the time came for her removal to the seaboard, the Government concerned would make the usual request through diplomatic channels for permission to pass through the other party's waters.

As regards all these matters and particular measures, the Canadian Government assume it would be understood that the foregoing observations and understandings, so far as they have been expressed

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only with relation to United States naval vessels maintained on the Great Lakes or to naval vessels to be constructed in United States shipyards there, will apply equally to the case of any Canadian naval vessels that may be maintained on the Great Lakes or of naval vessels to be constructed in Canadian shipyards there.

Yours sincerely,

O.D.SKELTON

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CONFIDENTIAL

C150191

Draft letter which the United States State Department contemplates sending to the Navy Department on the subject of the Rush-Bagot Agreement of 1817.

Copy received from

Mr. Simmons, May 18, 1939.

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STRICTLY CONFIDENTIAL

My dear Admiral Leahy:

Reference is made to your confidential letter of January 31,1939, on the subject of the Rush-Bagot Agreement of 1817. In your letter you requested my views concerning the propriety of firing target practice on the Great Lakes in connection with the training of naval reserves and, if this was considered improper, the possibility of modifying the Rush-Bagot Agreement to permit this practice. The question was subsequently the subject of informal conversations between officers of our two Departments.

After careful consideration of the problem I am inclined to the opinion that a modification of the Rush-Bagot Agreement would be undesirable at this time. It is clear from a study of the documents relating to the negotiation of the agreement and its early history that the objective of the negotiators was to provide a solution of an immediate and urgent problem arising out of the war of 1812 and the terms of the agreement themselves support the view that its indefinite continuation in force was not anticipated. Consequently, from a naval standpoint, the provisions of the agreement have long been out of date, but in spite of numerous vicissitudes the agreement itself has survived unchanged for more than one hundred and twenty years and, with the passage of time, has assumed a symbolic importance in the eyes of our own and Canadian citizens. It is true that shortly after the World War modification of the agreement was studied in this country and in Canada, with a view to making its provisions conform more closely to modern conditions, and a stage was even reached where the Governments exchanged drafts of suggested changes. The proposed changes were never actually agreed upon, however, and I am inclined to think that the two Governments were wise to

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allow the matter to fall into abeyance, since it is highly debatable whether the realization of their limited objectives would have compensated for the disappearance of the 1817 agreement as a symbol of our friendly relations with Canada for over a century.

It was perhaps inevitable that an agreement, the technical provisions of which became obsolete more than half a century ago, should from time to time have been subjected to what may have been considered technical violations by both parties, and of such instances there is a clear record. I think it can be successfully maintained, however, that without a degree of tolerance the agreement could scarcely have survived to the present day in its original form. But it is a fact of equal significance that even when the two Governments felt compelled to depart from a strict obdervance of its terms they were concerned that the spirit underlying it should be preserved.

I understand from information furnished by your Department that the following five vessels of the United States Navy are now serving on the Great Lakes:

Ship	Launched	Present Location	Displacement	Battery
DUBUQUE	1905	Detroit	1085	None
HAWK	1891	Michigan City	375	None
PADUCAH	1905	Duluth	1085	None
WILMINGTON	1897	Toledo	1392	None
WILMETTE	1903	Chicago	2600	4-4"/50 2-3"/50 A.A. 2-1 pdr.

In a number of respects the presence there of these vessels may not be considered entirely in keeping with a literal interpretation of the Rush-Bagot Agreement. On the other hand, it seems proper to take into account the fact that the vessels of our Navy now on the Great Lakes are there with the knowledge of the

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Canadian Government, written permission of that Government having been obtained for the passage of four of them through the Canadian canals en route to their stations. The case of the Wilmette is somewhat different, this vessel having been constructed on the lakes as a commercial vessel and subsequently taken over by the Navy during the World War.

In considering the number and size, disposition, functions and armaments of these vessels in relation to the provisions of the Rush-Bagot Agreement you will agree, I am sure, that the primary concern of this Government is to maintain at all costs the spirit which underlies that agreement and which is representative of the feelings of the Canadian and American people toward each other. With that clear objective in mind I would like to submit to you the following observations and suggestions.

(1) Number and size of vessels. As indicated above the United States Navy now has five vessels on the Great Lakes. In the discussion of this problem between officials of our two Departments the fact was brought out that approximately one-third of our national naval reserve personnel is concentrated in the region of which Chicago is the center. The need for adequate training of this personnel is clear and I understand that even with our present five vessels on the Great Lakes our facilities are strained. A possible alternative would be to transport these reserves to the Atlantic Coast every summer for the customary two weeks' training period, but I am told that the cost of so transporting even a small fraction of these reserves would in all probability be prohibitive. In the circumstances and in view of the fact that these five vessels have been maintained on the Great Lakes since the war without objection on the part of the

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Canadian Government, I am inclined to think that the withdrawal of one of them would not be necessary.

I should be reluctant, however, to see our naval vessels on the Great Lakes increased beyond the present number, omitting from this calculation vessels which are "retained immobile" and used solely as floating barracks for naval reserves. The Canadian Government has in the past given permission for vessels of the latter category to be maintained on the Great Lakes and would doubtless give sympathetic consideration to any similar requests which might be made in the future.

It is my understanding that the Sacramento, a vessel of 1,140 tons launched in 1914 and similar in size and type to vessels already on the Great Lakes, is now returning from China, her usefulness as an active naval vessel in regular commission having passed. I note that you will probably wish this vessel to take the place of the Hawk, but that this will not involve an increase in the number of our naval vessels on the lakes.

With regard to the size of these vessels it has been noted that all are of more than one hundred tons burden, the limit imposed by the agreement. The change from wood to steel around the middle of the last century, along with other factors, contributed toward rendering this part of the agreement obsolete. To my knowledge no objection has been taken by the Canadian Government to the presence on the Great Lakes of naval vessels of more than one hundred tons burden and as far as this Department is concerned we would not be inclined to question the maintenance by Canada of vessels similar to ours now operating there. It appears to have been our practice for many years to station on the Great Lakes only "unclassified" vessels that have long since outlived their usefulness in terms of modern

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warfare and that have a draft of not more than fourteen feet. I understand that these vessels have and could have no use except to provide elementary training for naval reserves. It would seem to me desirable to continue this policy, which goes beyond the objectives of the 1817 agreement, but which is so clearly in keeping with the present temper of public opinion.

(2) Disposition of vessels. At the time the Rush-Bagot Agreement was negotiated the Great Lakes were independent inland waters with no navigable connection between them and the ocean or, in most cases, between the lakes themselves. This geographical fact was no doubt largely responsible for the provision of the agreement which allotted one vessel to Lake Champlain, one to Lake Ontario and two to the so-called "Upper Lakes". That situation, of course, no longer exists and I would not regard it as unreasonable or contrary to the spirit of the Rush-Bagot Agreement to have the naval vessels of each party move freely in the Great Lakes basin or to "maintain" them at any port or ports in the lakes. Were the Canadian Government to act in accordance with such an interpretation I feel certain that we would take no objection to it.

(3) Functions of the vessels. Since the Rush-Bagot Agreement makes no provision with respect to the functions of the naval vessels maintained by the two parties on the Great Lakes, other than to state that the naval force of one party will not interfere with the proper duties of the armed vessels of the other, it would seem to me perfectly proper for our naval vessels to be employed in the training of naval reserves or in any other normal activity, including the firing of target practice, within our territorial waters. I note that target practice was held by United States naval vessels on the Great Lakes for a number of years prior to 1923, and again by one vessel in 1938.

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(4) Armaments. The question concerning the armaments to be carried by our naval vessels on the Great Lakes is admittedly difficult. In your letter of January 31 you expressed the hope that the Rush-Bagot Agreement might be modified so as to permit each of our vessels to carry not over two 4-inch guns.

The agreement provides that each of the naval vessels maintained by each Government may carry one 18-pound cannon. It is my understanding that the shell for a 3-inch gun weighs approximately fourteen pounds and the shell for a 4-inch gun approximately thirty pounds. It would therefore be within the scope of the agreement for the vessels in question to carry one 3-inch gun. In the discussions between officers of our two Departments, however, it was brought out that since the 4-inch gun is now what is considered "standard equipment", whereas the 3-inch gun is not, the use of the former is much more desirable from the point of view of giving adequate training to our naval reserves.

After careful consideration of this problem I would like to suggest to you the following alternative courses of action:

(1) The placing of one 3-inch gun on each of our naval vessels on the Great Lakes and the removal of all other armaments. Under this proposal, these vessels would be free to fire target practice within our territorial waters.

(2) The placing of two 4-inch guns on each of three naval vessels on the Great Lakes, and the removal of all other armaments, subject to the following conditions:

That the firing of target practice be confined to the waters of Lake Michigan; that no naval vessel leave the waters of Lake Michigan without dismantling her 4-inch guns; and that the 4-inch guns referred to in this paragraph be dismantled except

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in the summer season during the period of the training of naval reserves. In my opinion the practice envisaged in each of these proposals would be in harmony with the spirit of the Rush-Bagot Agreement.

There remains a question which was not raised in your letter, but which may be of definite interest to your Department, namely, the construction of naval vessels in shipyards situated on the Great Lakes. This Department has recently received renewed inquiries on this question.

The Rush-Bagot Agreement, after providing for the maintenance of four naval vessels of each party on the Great Lakes, stipulated that

> "All other armed vessels on those lakes shall be forthwith dismantled and no other vessels of war shall be there built or armed."

The provision just quoted should, I think, be read in the light of the geographical factor to which I have already referred. At a time when there was no navigable connection between the Great Lakes and the Atlantic Ocean, it was obvious that naval vessels constructed on the lakes could only be intended for use in those waters. I am satisfied that it was this contingency alone which the contracting parties wished to guard against, for no evidence whatever exists to suggest that either party at any time considered that the agreement should affect the naval forces of the two countries outside the Great Lakes area.

In the circumstances, I believe that it would be entirely in harmony with the intent of the negotiators and the spirit

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of the agreement for either this country or Canada to permit naval vessels, unquestionably intended for tidewater service only, to be constructed in shipyards situated on the Great Lakes. In order carefully to preserve the intent of the agreement, however, I believe that the two Governments should exchange full information concerning any naval vessels to be constructed at Great Lake ports; that such vessels should immediately be removed from the lakes upon their completion; and that no armaments whatever should be installed until the vessels reach the seaboard.

On this last problem, however, and on all others where a question might be raised concerning the literal interpretation of the Rush-Bagot Agreement, it would be necessary to give further consideration in the light of any views which the Government of Canada might at any time see fit to express.

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OTTAWA, 27th May, 1939.

C150200

Summary of observations on interpretation
of Rush-Bagot Agreement.

1. The Canadian authorities would undoubtedly concur fully in the view which has been expressed of the desirability of preserving this Agreement. Aside from the direct advantages it has produced, it has been of inestimable value in furthering the ideals of good neighbourhood in North America, and it has served, perhaps less effectively, as a suggestion to other continents.

2. At the same time it is recognized that the great changes in the technical, industrial, waterways transportation and population situation in the past 120 years, while in no sense altering the desire of both peoples to preserve the underlying spirit of the Agreement, have rendered its technical scheme and definitions somewhat out-of-date.

3. It is considered that any step which is held to be necessary and which is mutually considered consistent with the underlying objective though not strictly consistent with the technical definitions should be covered by an exchange of correspondence, as has been the case in numerous instances in the past. It is recognized that the logical method of dealing with the changed situation would be to effect a formal revision of the Agreement, but it is also recognized that it might be difficult at present to draft a new document which would cover present and future considerations of interest to both sides. If such a formal revision is agreed to be impracticable at the present time, it is considered that

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any actual technical step of the kind suggested to meet actual present day conditions - whether it was covered by some unilateral writing not communicated to the other party, or by some unilateral writing merely notified to the other party, or by written proposal by one party and acceptance by the other - may equally be held to be a variation of the legal position on a strict interpretation. The question which of these methods is preferable should, therefore, be determined by other factors. As regards such other factors, it is considered that a public confidence in the maintenance of this Agreement and in the maintenance of the principle of restriction by agreement would be nullified by unilateral action and would be strengthened by agreed action, informal but of record, between the two parties.

4. It is further considered that it is desirable to deal with each question as it arises. An attempt to deal with four or five questions at once, whether bilaterally or unilaterally, would have a very much greater appearance of a revision of the Agreement than a settlement of each question as it arose. To deal with each question separately as and when its practical desirability actually arises is also to ensure that the actual particulars can be known and described in specific and not general terms - as, for example, in the case of construction of naval vessels in Great Lakes shipyards.

5. As regards the substance of the suggestions under consideration it is believed no difficulty will be found in securing agreement and that steps could be taken speedily to deal with the immediately urgent point.

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C150202

NS. 1005-6-1
SECRET

DEPARTMENT OF NATIONAL DEFENCE

(NAVAL SERVICE)

OTTAWA, Canada

6th June, 1939.

Dear Doctor Skelton,

With reference to your letter of the 5th June 1939, enclosing a "Summary of Observations on Interpretation of Rush Bagot Agreement", dated 27th May, and a further draft letter from Mr. Simmons, I write to inform you that so far as this Department is concerned there is nothing in these documents to which we take exception.

In brief, the views of the Naval Staff are -

(a) That the underlying spirit of the existing Agreement should be preserved.

(b) That the wishes of either party to the Agreement which are not in accord with the technical scheme and definitions should be dealt with by the exchange of written proposal and acceptance.

(c) That the general observations in Mr. Simmons' letter herewith are concurred in and that no objection is seen to the two specific points about to be brought up, i.e., the replacement of "Hawk" by "Sacramento" and the mounting of 4" guns for target practice to be held in the summer months in United States Territorial Waters of the Great Lakes.

(d) That the building of Naval Vessels on the Great Lakes under the conditions proposed is satisfactory to the Naval Service.

(e) That in consenting to any United States proposal it be made clear that on request similar action by Canada would likewise be agreed to.

Yours sincerely,

L.R. LaFleche.

Dr. O.D. Skelton, M.A., Ph.D., LL.D.,
Under Secretary of State
for External Affairs,
Ottawa.

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Copy of Letter transmitted by United States Legation,
Ottawa, June 15th.

C150203

DEPARTMENT OF STATE

WASHINGTON,D.C.

June 13, 1939.

My dear Admiral Leahy:

The receipt is acknowledged of your letter of June 3, 1939, stating that bids were recently opened in the Navy Department for hulls and fittings for experimental small torpedo boats and submarine chasers of various types and sizes. You added that although the price bid by the DeFoe Boat and Motor Works, of Bay City, Michigan, placed that company in line for an award for a 170-foot subchaser, a question had been informally raised as to the authority of your Department to enter into a contract for the construction of a naval vessel in a shipyard situated on the Great Lakes, in view of the provisions of the Rush-Bagot Agreement of 1817.

After careful consideration of the question raised in your letter, I desire to make the following observations.

As you are aware, the Rush-Bagot Agreement of 1817 took the form of an exchange of notes between Mr. Charles Bagot, the British Minister at Washington, and Mr. Richard Rush, Acting Secretary of State of the United States. After providing that each party might maintain a limited number of naval vessels on the Great Lakes, the Agreement stipulated that

> "All other armed vessels on those Lakes shall be forthwith dismantled and no other vessels of war shall be there built or armed."

Admiral William D. Leahy,
Chief of Naval Operations,
Navy Department.

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At the time the Rush-Bagot Agreement was concluded, it was a physical impossibility for vessels, intended for tidewater service, to be constructed on the Great Lakes. The latter were then independent inland waters with no navigable connection between them and the ocean or, in most cases, between the lakes themselves. In the absence of a navigable connection between the Great Lakes and the Atlantic Ocean, it was obvious that naval vessels constructed on the lakes could only be intended for use in those waters. I am satisfied that it was this contingency alone which the contracting parties wished to guard against, for no evidence whatever exists to suggest that either party at any time considered that the Agreement should affect the naval forces of the two countries outside the Great Lakes area.

In the circumstances I am of the opinion, which is shared by the Canadian authorities, that it would be entirely consistent with the underlying objective of the Agreement for either country to permit naval vessels unquestionably intended for tidewater service only, to be constructed in shipyards situated on the Great Lakes. In order carefully to preserve the intent of the Agreement, however, it is believed that prior to the commencement of construction each Government should provide the other with full information concerning any naval vessels to be constructed at Great Lakes ports; that such vessels should immediately be removed from the lakes upon their completion; and that no armaments whatever should be installed until the vessels reach the seaboard.

Should the bid of the DeFoe Boat and Motor Works, referred to in your letter, be accepted, I shall appreciate being so informed in order that the necessary information may be conveyed to the Canadian authorities in accordance with the conditions outlined in the previous paragraph.

Sincerely yours,

CORDELL HULL.

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MEMORANDUM

OFFICE OF THE PRIME MINISTER

C150205

March 7th, 1936.

For Mr. King:

re Sockeye Salmon Treaty

Mr. Reid told me, yesterday, that he would not be bringing his Resolution up on Monday, and in any event will let you know before proceeding with it on any Monday.

E. A. P.
E. A. PICKERING.

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C150206

OFFICE OF THE PRIME MINISTER

MEMORANDUM

March 3rd, 1936.

For Mr. King:

re Sockeye Salmon Treaty

I have ascertained from Dr. Skelton -- that he has taken up the matter ~~of~~ referred to in the attached proposed Resolution with the United States Legation here. He will advise you shortly as to the present position in this matter.

E. A. P.

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C150207 T-251 1936

Votes and Proceedings
March 2, 1936.

Re Sockeye Salmon Fisheries

Mr. Reid—On Wednesday next—The following proposed Resolution:—Whereas, a Treaty, more particularly described as a Convention, was drawn up between the Dominion of Canada and the Government of the United States of America with regards to the protection, preservation and extension of the Sockeye Salmon Fisheries of the Fraser River system and was signed at Washington on the 26th day of May, 1930;

And whereas, the Convention or Treaty was not to come into effect until ratified by His Majesty in accordance with constitutional practice and by the President of the United States of America;

And whereas, the said Convention was ratified by the Parliament of Canada on the 29th day of May, 1930;

And whereas, the President of the United States, with the advice and consent of the Senate thereof, has not ratified the Convention;

Therefore be it Resolved,—That, in the opinion of this House, the Government take under consideration the advisability of rescinding their approval of 1930.

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C150208

TREATY OF VERSAILLES, 1919

The Treaty of Peace between the Allied and Associated Powers and Germany was signed at Versailles on June 28th, 1919, by the Honourable C. J. Doherty, Minister of Justice, and the Honourable A. L. Sifton, Minister of Customs, on behalf of Canada.

Approval

A Resolution in the following terms was agreed to by the Senate and by the House of Commons on September 4 and 11, 1919, respectively:

> Resolved, That it is expedient that Parliament do approve the Treaty of Peace between the Allied and Associated Powers and Germany (and the Protocol annexed thereto), which was signed at Versailles on the twenty-eighth day of June, nineteen hundred and nineteen, a copy of which has been laid before Parliament, and which was signed on behalf of His Majesty, acting for Canada, by the plenipotentiaries therein named, and that this House do approve of the same.

On September 12, 1919, an Order in Council was approved, which contains the following:

> ...Whereas the Senate and House of Commons of the Dominion of Canada have by Resolution approved of the said Treaty of Peace;
>
> And whereas it is expedient that the said Treaty of Peace be ratified by His Majesty for and in respect of the Dominion of Canada;
>
> Now, therefore, the Deputy Governor General in Council on the recommendation of the Secretary of State for External Affairs, is pleased to order and doth hereby order that His Majesty the King be humbly moved to approve, accept, confirm and ratify the said Treaty of Peace, for and in respect of the Dominion of Canada. (Copy of that Order in Council - No. 1907 - can be found in our Departmental file 5-1919-9. It does not appear that it was ever made public).

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C150209

Ratification

Ratification for the Empire was expressed by the King under the Great Seal of the United Kingdom. Proces-verbal of ratification was signed at Paris, 10th January, 1920, on behalf of the British Empire, Belgium ....

Treaties of Peace Act

"An Act for carrying into effect the Treaties of Peace between His Majesty and certain other Powers" (Statutes of Canada, ch. 30, Second Session, 1919) - assented to on November 10th, 1919.

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OFFICE OF THE PRIME MINISTER

MEMORANDUM

JAG/PM
17.10.39

C150210

For the Prime Minister

Mr. Ralph Maybank, M.P., has informed me of the unexpected death, at Winnipeg, of Mrs. Charles W. Tupper. The Prime Minister will possibly recollect that during Their Majesties' visit to Winnipeg he presented Mrs. Tupper's little daughter, (Margaret Ray Tupper), to the King and Queen.

In case the Prime Minister should wish to send a message of sympathy to Mr. Tupper, a brief note is attached for approval, or revision.

A.D.P. H.

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TURKEY
FRANCE - FOREIGN POLICY
C150211

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Prime Minister

C150212

EBR/S
31.5.39.

T-400
V.1

4-200
V-1

The Hatay Dispute

The Hatay dispute dates back to the post-war settlement by which the territory, then known as the Sanjaq of Alexandretta and Antioch, was assigned to France as part of the mandated territory of Syria and the Lebanon. The Turkish Government agreed in 1921 - before conclusion of the definitive Treaty of Peace with Turkey - to incorporation of the province in the mandated territory under a special regime guaranteeing special rights for the Turkish inhabitants. An agreement signed in 1926 provided for the settlement of certain outstanding questions.

In 1936 France concluded a treaty with Syria under which Syria was to become independent at the end of 1939. Turkey protested immediately, and an agreement whereby Alexandretta was to become independent, though remaining in a customs and currency union with Syria and leaving control of foreign affairs to Syria, was concluded under the aegis of the League of Nations. Turkish was to be an official language, and Turkey was to have special rights in the port of Alexandretta. Turkey later claimed that the Commission set up under the agreement to supervise the first elections was exceeding its authority to the detriment of Turkish interests in the territory. Turkish pressure was continued and France eventually conceded Turkish preponderance. Since July 1938 the territory has been occupied jointly by French and Turkish troops, though most of the French forces withdrew in October 1938.

It is now persistently rumoured that France will agree to annexation of Hatay to Turkey partly in return for a Franco-Turkish alliance.

ESCOTT REID.

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C150213

May 18/39
EBR/EV

Memorandum for Dr. Skelton

The Franco-Turkish Dispute over
Hatay (Sanjaq of Alexandretta)

In order to understand the present dispute between France and Turkey over Hatay, it is necessary to consider briefly the Franklin-Bouillon Agreement of October 20th, 1921, and the de Jouvenel Agreement of May 30th, 1926. The Agreement of 1921 fixed the boundary between Turkey and the Syrian mandated territory, following for the most part the line separating the Turkish and Kurdish-speaking peoples on the north from the Arabic-speaking peoples on the south. In the coastal sector, however, it left outside of Turkey the Sanjaq of Alexandretta and Antioch in which, according to French statistics, there was a Turkish population of about 87,000 out of a total of about 220,000. Although it appears that the Turkish community did not form a majority, there is no doubt that it was the largest single community in the area and that it was the most important, both as regards vigour and political self-consciousness. The remainder of the population was made up of Turkish speaking Armenians, many of whom were refugees from Turkish persecution, Arabs, Kurds, Greeks, etc. Most of the Turks and Arabs belonged to the same Moslem sect, but they had lost their traditional sense of solidarity and had come to be divided on lines of political nationality determined by language.

The Turks had consented to the new frontier being fixed so as to include the Sanjaq of Alexandretta

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C150214

in the area of the mandated territory in return for French concessions at other points along the frontier. In the Agreement it was provided that Alexandretta should have a special regime under which the Turkish inhabitants would enjoy all facilities for the development of their culture and under which the Turkish language would have an official status.

Towards the end of 1925 a dispute arose over the actual delimitation of the frontier between Turkey and the mandated territory. This matter was finally settled in an Agreement signed by M. de Jouvenel on May 30th, 1926. The Agreement disposed of a large number of outstanding questions and provided for certain adjustments of frontier which the Turks had demanded.

The status of Alexandretta gave rise to no further dispute between France and Turkey until September 1936 when a Franco-Syrian Treaty, under which Syria was to become independent at the end of 1939, was published. In the long discussions between the Syrian nationalists and the mandatory power, which were brought to an end by the signature of the Franco-Syrian Treaty of September 9th, 1936, the status of Alexandretta was never one of the contentious questions. The perpetuation of the special regime in Alexandretta was assured by a general clause, Article 3 of the Treaty, in which it was set forth that all rights and obligations provided for in treaties, conventions, and other international acts concluded by the French Government in matters concerning Syria or in the name of that country, should be transferred to the Government of Syria.

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C150215

Upon the conclusion of the Franco-Syrian treaty fears were expressed in Alexandretta and in Turkey that the Turkish inhabitants of the territory would be in grave danger of losing their special privileges if French control were withdrawn. The Turkish Government immediately took up the case and, on October 9th, 1936, following certain public statements and conversations at Ankara and at Geneva, despatched a note to the French Government in which it proposed that a treaty be concluded between France and the people of Alexandretta similar to that between France and the Syrian nationalists. In effect, this was a proposal that the Sanjaq should become independent. The Turkish Government took the view that a transfer to Syria of the obligations of France regarding Alexandretta would be a breach of the Franco-Turkish agreements of 1921 and 1926. The French refused to accept this thesis, contending that the terms of the mandate, which had been conferred on France over "the territory of Syria and the Lebanon" and which required the mandatory power "to facilitate the progressive development of Syria and the Lebanon as independent states" obliged France to arrange that not more than two independent states should eventually arise on the French mandated territory. There followed a correspondence in which neither side yielded any ground. On November 30th, however, the French proposed that the question should be referred to the Council of the League of Nations and a few days later the Turkish Government accepted the suggestion. Meanwhile there were disturbances resulting in at least two deaths in the Sanjaq. The French charged that the disturbances

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were ~~started~~ stirred up as a result of the formation of armed bands on the Turkish side of the frontier.

The question was considered by the League Council on December 14th to 16th, 1936, when three neutral observers were appointed to go to Alexandretta. Discussions between the parties followed the Council meeting but were without positive result until January 24th 1937 when agreement in principle was reached at Geneva. Two outstanding questions were settled in succeeding days and on January 27th, 1937, the Council was able to adopt a report embodying terms already agreed upon by the parties.

In accordance with the terms of this settlement, the Sanjaq was to constitute a separate political entity with a statute and a fundamental law of its own. The territory was to have complete independence in internal affairs but it was to remain in a customs and currency union with the State of Syria, and the Syrian Government was to be responsible, subject to certain safeguards, for the conduct of its foreign relations. Turkish was to be an official language, and Turkey was to have certain rights and facilities in the port of Alexandretta. The Council was to determine the character and conditions of the use of a language other than Turkish. The application of the statute and the fundamental law was to be supervised by the League Council with the aid of a delegate of French nationality who was to be appointed by the Council and was to reside in the Sanjaq. There was to be no army, no compulsory military service, and no fortification in the territory, and France, Turkey and Syria were to conclude a treaty to guarantee its territorial integrity. News of the settlement was received unfavourably in Syria, but in the Sanjaq itself it was met with unenthusiastic approval.

The work of drafting the Statute, and the Fundamental Law was entrusted to a committee of specialists who presented a report which, after certain changes had been made by agreement between the parties, was adopted by the Council with the consent of France and Turkey on May 29th, 1937. The language question was solved by giving Arabic as well as Turkish official status.

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C150217

The agreement reached on May 29th was embodied in formal instruments which were duly ratified by both parties. The new constitution was inaugurated on November 29, 1937.

Under the Fundamental Law the Legislature was to consist of a single Assembly of forty members, elected for four years. The Executive would consist of the President of the Sanjag and an Executive Council of five. Provisions for the protection of minorities were placed under the guarantee of the League.

It was also provided in Article 15 of the Fundamental Law that the Council of the League should appoint a Commission to organize and supervise the whole of the proceedings involved in the first elections. The Council decided that these elections should be held not later than April 15, 1938.

The Commission was appointed in due course, and in December 1937 framed regulations for the conduct of the elections. The Turks held that these regulations were directed against the interests of the Turkish inhabitants of the Sanjag, and charged that the Commission had exceeded its terms of reference in drawing up the regulations. Turkey appealed to the League Council, which on January 31, 1938, appointed a committee of members of the Council to modify the election regulations and to fix a new date for the elections. The Council's decision relieved a situation that had become very

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tense, Turkey having taken the position that her honour was involved and that she would go to any lengths to protect her interests. At the same time Turkey made it clear that she did not desire to annex the territory.

The Committee of the Council met in March 1938, made certain changes in the election regulations and decided that the elections should be completed by July 15, 1938. In the regulations it was provided that electors should register as members of one of the following communities, viz.: Turkish, Alawite (heretical Moslems), Arab, Armenian, Greek Orthodox, Kurdish, or "other", and that each of the first five communities named should be assured of a minimum number of deputies.

As the date set for the elections approached, disorders in the Sanjaq increased, and early in June 1938 the French authorities found it necessary to impose martial law. 30,000 Turkish troops were reported to be massed near the border, apparently ready to intervene to protect the Turkish inhabitants if necessary. Later in the month it was reported that France and Turkey had concluded a treaty for military cooperation in the defence of the Sanjaq, which was to be followed by a Franco-Turkish Treaty of Friendship, which in turn was considered to be essential to the conclusion of a Franco-Turkish-Syrian treaty to guarantee the Sanjaq's frontiers in accordance with the agreement of May 29, 1937.

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The next step was a notification of the League by Turkey that she no longer recognized the League Commission supervising the election arrangements in Alexandretta. It was reported that France had agreed to facilitate the obtaining by Turks of a majority in the Assembly, and had consented to permit Turkish troops to enter the territory to help maintain order. On June 30 the Prime Minister of Turkey declared that the Sanjaq "must be Turkish-ruled".

On July 1 it was formally announced that agreement had been reached, and on July 3 three Franco-Turkish instruments were signed. The first, a Franco-Turkish treaty of friendship, provided for co-operation in the maintenance of the "political status quo" in the eastern Mediterranean.

The second was a declaration in which the two parties confirmed the new status of the Sanjaq on the basis of the preponderance of the Turkish element; agreed that order should be maintained by equal numbers of French and Turkish troops and a local police force; and jointly guaranteed the internal and external security of the territory. It was to be understood that Turkey had no territorial claim. The declaration also dealt with relations between Turkey and Syria.

The third instrument was a protocol providing that members of Turkish, Syrian or Lebanese minorities might adopt the nationality of their country of residence.

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C150220

Arrangements for the elections were resumed under a commission composed of three Turks and one Frenchman. Most of the registrars were Turks and it was expected that most of the other communities would boycott the elections. Alexandretta faded from the news as the general situation in western Europe became more and more tense in the weeks preceding the Munich settlement of September. It is clear, however, that the elections were held sometime between the end of July and early September, that the leader of the Turkish irredentist movement in the Sanjaq was elected to the presidency, and that the Legislative Assembly was dominated by the Turks. One of the first acts of the legislature was to change the name of the territory to Hatay, which is derived from the Turkish name of the ancient Hittite inhabitants.

In October 1938 most of the French troops were withdrawn. Thereafter the Hatay Republic was not "in the news" until early April 1939, when it was reported that Turkey was demanding annexation of the territory as part of the price for joining the "anti-aggressor bloc" and allowing French and British warships to pass through the Straits in time of war. 60,000 Turkish troops were said to be massed on the frontier. The reports were denied by Turkey, but France sent a cruiser to Alexandretta.

It is quite evident that Turkey will not be completely satisfied until Hatay is incorporated

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in the Turkish Republic. She has taken advantage of France to apply pressure during a period when France has felt insecure. France must have Turkish friendship if she is to be able to communicate by sea with her Soviet ally in the event of war, for Turkey controls the Straits connecting the Mediterranean and Black Seas. In the circumstances France has had to sacrifice the friendship of Syria and of a considerable part of the Arab world, because they are not vital to her own security.

E SCOTT REID

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OFFICE OF THE PRIME MINISTER

MEMORANDUM

C150222

Mr. King:

Her Excellency Lady Tweedsmuir is coming in to Ottawa today, arriving at the Union Station at 12.05 p.m. (Standard Time), or 1.05 p.m. city time.

H.H.

September 22, 1938

Done - Report given by phone to Miss Moore as memo for Mr. King. 22/9/38 HH

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OFFICE OF THE PRIME MINISTER

MEMORANDUM

C150223

MR. KING:

As instructed by you, I went to the station to meet Her Excellency on your behalf, and gave her your messages.

Her Excellency asked very sympathetically about you, and asked me to convey to you her best of wishes.

Her Excellency said that she had had a very pleasant time in the Maritimes. She asked me also to tell you that she is really quite happy about His Excellency's condition, which, she says, has improved very much indeed.

I told Her Excellency that you hoped to be out and about and able to call on her in a few days. Her Excellency said that if you were unable to call on her, she would like to call to see you at Laurier House.

HH.

Sept. 22, 1938

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GOVERNMENT HOUSE
Ottawa

C150224

His Excellency The Right Honourable
Lord Tweedsmuir, P.C., G.C.M.G.,
G.C.V.O., C.H.,
Governor General of Canada,
Government House,
O t t a w a.

Her Excellency The Lady Tweedsmuir.

SONS:

(Eldest) Lieut. The Hon. J. N. S. Buchan,
Governor-General's Footguards,
c/o Canada House,
London, S. W. I,
England.

(2nd) Honourable William Buchan,
11 Church Walk,
London, W. 8,
England.

(3rd) Honourable Alastair Buchan,
Government House,
O t t a w a.

DAUGHTER:

Hon. Mrs. Fairfax-Lucy,
Westwell,
Burford,
Oxfordshire,
England.

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C150225

FAMILY of His Excellency:

SISTER:

Miss Anna Buchan,
The Bank House,
Peebles,
Scotland.

BROTHER:

J. Walter Buchan, Esq.
The Bank House,
Peebles,
Scotland.

FAMILY of Her Excellency:

MOTHER:

The Hon. Mrs. Norman Grosvenor,
Elsfield Manor,
Oxford, M. I,
England.

SISTER:

Mrs. Peyton-Jones,
Wendover Dean Farm,
Wendover,
Bucks,
England.

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	Morning.	Afternoon	Evening.
Feb. 12	Artillery Assoc. Meeting, Chateau Laurier.		
Feb. 16			Reception at Government House
Feb. 18		Visit Research Council	Visit Officers' Mess, Regiment de Hull.
Feb. 19			Attend Lecture at Chateau Laurier on Nutrition
Feb. 22	(date changed to March 1st)	Art Association Tea.	
Feb. 23			Reception at Government House
Feb. 26			Dine with French Minister
Feb. 28			South African Veterans Dinner, Hull.
March 4			Attend Minto Follies
March 8	Leave for Toronto for Law Club Dinner and Skating Carnival.		
March 9	Return from Toronto		
March 11		Attend Flower Show, Ottawa.	
March 17	Leave for Toronto for St. Patrick's Ball and meeting of the British and Foreign Bible Society.		
March 19	Return from Toronto		
March 21	To Montreal for meeting of the Canadian Mental Hygiene Council		
March 23	Attend Dominion of Canada Rifle Assoc. Meeting, Ottawa. ------		
April 12	Vice-Admiral Sir H.Walwyn, Governor of Newfoundland, and Lady Walwyn arrive to stay till April 15th (private visit).		
April 23	Her Excellency sails for United Kingdom		
	His Excellency proposes to leave for a tour of the Prairie Provinces at the end of April or early im May.		
May 20	Arrive Toronto. Motor to Hamilton to address Canadian Clubs.		
	Attend Dedication Service of Holy Blossom Temple, Toronto.		
May 21	Open new wing of Havergal College, Toronto.		
	Attend Woodbine Park Races in State in afternoon.		

C150226

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C150227

May 25 Garden Party at Government House

May 28 His Excellency sails from Quebec for United Kingdom

His Excellency expects to return to Quebec from United Kingdom on July 7th. He will remain at Quebec until the last week of August, and will then go to Vancouver. From there he will go along the Cariboo Highway to Prince George, returning to Ottawa towards the end of September.

Oct.15 Attend Diamond Jubilee of University of Western Ontario, London.

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C 4913

From Buchan's "Ancient Ballads and Songs of the North of Scotland", with notes by Peter Buchan, 1828.

C150228

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C150229

[redacted]

Note to Colonel Fairley for inclusion papers on 9. [illegible]

THE GUISE OF TYRIE

The hero of this curious song was the Reverend Mr. Andrew Cant, a character much celebrated in the history of the troubles of Scotland in the seventeenth century. His inductment to the pastoral charge of the parish of Tyrie, of which he was the first Protestant minister, having given great offence to the rabble, one of them composed the Guise of Tyrie. Mr. Cant being an avowed enemy to all, and every thing that savoured of Popery, being boarded in the house of Mr. Forbes, the proprietor of Boyndlie, who was a Papist, in his bed-room were hung a great many of the Saints' pictures. Having an aversion to these, he requested that they might be taken down. The laird, to please his guest, took down St. Peter, and hung up the picture of Mr. Cant, with these lines written underneath:

Come down, St. Peter,
Ye superstitious saint,
And let up your better--
Mr. Andrew Cant.

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C150230

THE GUISE OF TYRIE

O wat ye how the guise began,
The guise began, the guise began,
O wat ye how the guise began,
  The guise began at Tyrie.

The lady Tyrie and laird o' Glack,
Wha lived baith into the Slack,
Between them two there was a pack,
  To enter bobbing Andrew.

The muirland wives they're a'gin wud,
They're a'gin wud, they're a'gin wud,
The muirland wives they're a'gin wud,
  For entering bobbing Andrew.
They met the lady in the wauk,
And they began to gie'r ill tauk,
And they began to gie'r ill tauk,
  For entering bobbing Andrew.

They said her husband was in hell,
And she was following fast hersell,
And she was following fast hersell,
  For entering bobbing Andrew.
      The muirland wives, &c.

They tare her veil out ower her tail,
Out ower her tail, out ower her tail,
They tare her veil out ower her tail,
  For entering bobbing Andrew.
      The muirland wives, &c.

Geordy Burnett wi' the gley,
He lay upon Coburty's lay,
He lay upon Coburty's lay,
  And beheld the guise o' Tyrie.
      The muirland wives, &c.

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Gibbie Morrice lay ower the dyke,
And he stirr'd neither man nor tyke,
And he stirr'd neither man nor tyke,
But beheld the guise o' Tyrie.
The muirland wives, &c.

But Ritchie Gibb, the lady's guard,
He gat a clock for his reward,
He gat a clock for his reward,
For backing bobbing Andrew.
Then wat ye how the guise began,
The guise began, the guise began,
Then wat ye how the guise began,
The guise began at Tyrie.

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C150232

Memorandum re term of office of the Governor-General

By Royal Commission dated August 10th, 1935, Lord Tweedsmuir was appointed Governor-General and Commander-in-Chief in the Dominion of Canada. His Excellency took the oath of office, at Quebec, on November 2, 1935.

The question arises whether the term of office of His Excellency should run from the date mentioned in the Royal Commission appointing him or from the date on which His Excellency took the oath of office.

The third paragraph of the said Commission reads as follows:

"And further We do hereby appoint that, so soon as you shall have taken the prescribed oaths and have entered upon the duties of your Office, this Our present Commission shall supersede Our Commission under Our Sign Manual and Signet bearing date the Twentieth day of March, 1931, appointing Our Right Trusty and Right Well-beloved Cousin and Counsellor, Vere Brabazon, Earl of Bessborough, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, formerly Captain in Our Territorial Army, to be Our Governor-General and Commander-in-Chief in and over Our Dominion of Canada."

From the terms of this paragraph it seems that the Royal Commission, although delivered on August 10th, 1935, would come into force only after His Excellency would have taken "the prescribed oaths" which would have the result that his Commission would supersede that of his predecessor.

It seems that there could not be two Commissions in force at the same time and that, although his Excellency was empowered to act as Governor-General and Commander-in-Chief by the Commission of August 10th, 1935, this commission would come into force only after the oath had been taken.

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C150233

file

[redacted]

THE GOVERNOR GENERAL'S CURLING CLUB

ORGANIZED 1874

PATRON:

His Excellency The Right Hon. Lord Tweedsmuir, P.C., G.C.M.G., C.H.

PATRONESS:

Her Excellency The Lady Tweedsmuir

VICE-PRESIDENTS:

Colonel Sir Percy Sherwood, K.C.M.G.,

Mr. Norman F.Wilson.

Colonel A.McMillan, D.S.O.

HON. SECRETARY:

Lieut. R.Scott, R.N., A.D.C.,

Captain D.H.Walker, A.D.C.

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C150234

HONORARY MEMBERS

H. R. The Duke of Connaught, K.G., Etc.,
The Marquess of Willingdon, G.C.S.I., Etc.,
The Earl of Bessborough, G.C.M.G., Etc.,

MEMBERS.		OFFICE	HOME
Mr. J.R. Akins,	130 Flora Street	2-8211 Local 2925	2-3013
Mr. Alan Armstrong	Queen Mary Apts, Elgin Street	2-5408	7-0717
Dr. G.O. Barclay	8 Woodlawn Avenue,	7-0026	7-0056
Mr. W.G. Bedard	40 Lakeside Avenue		7-6219
Rt. Hon. R.B. Bennett P.C.	England		
Mr. Austin Bill	8 Lakeside Avenue,	2-8211	7-1665
Mr. W. L. Blair	251 Waverley Street		2-6542
Mr. Charles Bland	828 Echo Drive	2-2811 Local 2788	7-4113
Mr. E. L. Brittain, O.B.E.	233 Gilmour Street		2-9363
Mr. F. E. Bronson	725 Acacia Avenue	2-4219	6-0178
Mr. Hugh Carson	286 MacLaren Street	2-1571	2-0693
Col. J.T. Clarke,C.B.E	90 Park Road		6-5720
Mr. H.M. Code	205 MacLaren Street	2-2234	2-4351
Mr. J.D. Coleman	16 Leonard Avenue		7-4779
Lt.Col.R.M.Courtney	470 Wilbrod Street		6-0237
Mr. C. G. Cowan	111 Cooper Street	2-4492	2-5396
Mr. J. H. Cowan	554 McLeod Street	2-4471	8-2837
Mr. C. B. Cullinan	Strathcona Apts.		6-0100
Hon. J.C. Elliott	Roxborough		

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		Office	Home
Mr. T.D.Finn	88 Blackburn Ave.	6-1937	2-2441
Mr. W.J.Foley	366 Frank St.	3-3283	2-2395
Mr. J.G.Fortier	Westminster Apts.		
Mr. R.Gamble	Island Park Drive	2-0847	8-0960
Lt.Col.W.C.Gillis	37 Melgund Ave.		7-5554
Mr. George Gray	185 Holmwood Ave.	6-1550	7-1557
Hon.W.A.Gordon, KC.	Haileybury, Ont.		
Mr. K.A.Greene,	Rockcliffe	2-3576	6-0642
Dr. Gordon Gunn	286 Charlotte St.		6-4276
Dr. T.D.Higginson	217 Fifth Ave.	6-0580	7-2337
Mr. L.J.M.Howard	Beechwood Lodge		6-0782
Mr. R.F.Howard	377 Daly Ave.	2-5711	6-4936
Mr. J.B.Hunter	7 Linden Terrace	2-2811	7-6032
Mr. H.M.Kilborn	150 Argyle Ave.		7-5364
Mr. John Kilgallin	36 Grove Ave		7-6094R
Rt. Hon. W.L. Mackenzie King, P.C.	Laurier House		6-4246
Mr. C.Kirby	68 Carling Ave.	2-5383	7-2740
Dr.T.H.Leggett,	Lisgar Road Rockcliffe	2-4871	6-0214
Mr. ALbert MacLaren	Buckingham, P.Q.		
Brig.Gen.C.H.MacLaren, C.M.G.,D.S.O.	495 Wilbrod St.	2-1725	6-3771

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		Office	Home
The Hon. Mr. Justice A.K.Maclean	17 Marlborough Ave.	2-8211	6-2689
Lt.Col.E.D.Mackenzie, C.M.G., D.S.O.	Government House	6-2620	
Dr. W.C.Macartney	231 First Avenue	2-9036	7-1911
Col. H.J.Mackie	Roxborough	2-7855	
Mr. R.H.MacNabb	15 Bristol Ave.	2-8211	7-4383
Mr. W.L.MacIlquham	41 Grove Ave.		7-1908
Col. A.McMillan, DSO.	415 Besserer St.		6-3906
Mr. W.F.Page	82 Russell Ave.	6-4471	6-0035
Mr. A.Pannell	13 Ralph St.	2-7311	7-2505
Col.J.G.Rattray, C.M.G., D.S.O.	81 Somerset St. W.		2-5662
Hon. E.N.Rhodes, K.C.	410 Besserer St.		6-1536
Mr. A.S.Redfern	Government House	6-2620	
Mr. James Robertson	36 Monkland Ave.	2-3734	7-6349
Mr. P.D.Ross	17 Blackburn Ave.	2-5321	6-1802
Col. Livius Sherwood	600 Besserer St.	2-8211	6-5041
Col. Sir Percy Sherwood K.C.M.G.	451 Daly Ave		6-0014
Mr. A.L.K.Shillington	596 Driveway		7-3335
Dr. W.T.Shirreff	282 Somerset St.	6-2510	2-7575
Mr. J.M.Skead	86 Fourth Ave.		7-0067
Mr. A.F.Sladen, C.M.G., C.V.O.	102 Lewis Street		3-1842

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		Office	Home
Mr. A.E.Smaill	293 Clemow Ave		7-0974
Mr. H.S.Southam, C.M.G.	Rockcliffe	2-2441	6-2327
Hon. Charles Stewart	200 Clemow Ave.		2-0202
Mr. J.H.Stewart	260 Metcalfe St.	3-1177	2-6661
Mr. F.A.Stuart	293 Clemow Ave.		7-4741
Dr. A.V.Summers	142 MacLaren St.	2-2277	2-3300
Dr. H.M.Tory	327 Buena Vista Road		6-5803
Mr. R.W.Warwick	30 Powell Ave	2-8211 Local 3337	2-4121
Mr. E.E.White	10 Range Road		6-3530
Col.H.Willis-O'Connor, CBE, DSO.	Byng House, Rockcliffe	6-2620	
Mr. Norman F.Wilson	Manor House, Rockcliffe		6-5077

28th February 1939

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[redacted]

HIS EXCELLENCY'S STAFF

AND

PARTY AT QUEBEC.

Arthur Shouldham Redfern, Esq.,
Secretary to the Governor General.

Mrs. Redfern.

Lieut. Col. Eric D. Mackenzie, C.M.G.,D.S.O.,
Comptroller of the Household.

F.L.C. Pereira, Esq., O.B.E.,
Assistant Secretary to the Governor General.

Aides de Camp.

Lieut. Col. H. Willis O'Connor, C.B.E.,D.S.O.,A.D.C.,

Captain M.E. Adeane, A.D.C.,

Captain John S. Boyle, A.D.C.,

Lieut. S.G. Revers-Smith, R.N., A.D.C.

Miss Beatrice Spencer-Smith,
Lady-in-Waiting to Her Excellency.

The Hon. Alastair Buchan,
(Their Excellencies son. He is about 17 years of age.)

Personal Secretary to His Excellency.

Mrs. Killick.

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C150239

John Buchan.

It has been said recently that a "Life of John Buchan, first Baron Tweedsmuir, is material for no less a writer than John Buchan himself"; and at the moment perhaps, it would be difficult to suggest a biographer who would undertake the task. At the end of five years, however, when the Scot has been transferred into a Canadian and a score of books from his pen reveal the trials, triumphs and romance of our sturdy people. it may be the lot of a Canadian writer to record the administration of Canada's latest historian.

For Buchan the historian, Canada should be a happy hunting ground, for nowhere can one find such a wealth of material covering a period of over three hundred years.

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C150240

Of the Fraser's in Quebec and the MacDonalds in Ontario, a hundred books might be written, although the Fraser's of Quebec might find it difficult to say "it's a braw bricht nicht the nicht".

Here, in the ancient City of Quebec, the colourful Cradle of New France, one may trace the history of the French régime until the cession of the country in 1763, and follow the beginnings of our political institutions and the growth of a sympathetic understanding between the French snf English speaking peoples of this great Dominion.

For Buchan the sportsman and fisherman, it would be invidious to single out any one Province between the Atlantic and the Pacific.

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C150241

John Bucahan:

Good relations. It was the kindly treatment prisoners of the Scotch by the French during the Siege of Quebec that led to such friendly relations between the two races when the English entered the city.

Scots in Canada.

Settled at Scot's Fort, N.S. in 1621.

The Highlanders under Wolfe who settled along the banks od the St. Lawrence

Fraserville

Murra y Bay James Murray, Brigadier under Wolfe

Seigniory of Murra y Bay.

Our late Governor, Lord Bessborough, publisshed just ~~before~~ before he left an account of a fishing trip on the Island of Anticosti.

C150242

Mr. Pickering:

Mr. Henry telephoned the following message:

On car 100, in the secretary's room, there are two berths. The two large bedrooms each have double beds and private bath. The dining room has two berths that can be let down.

Mr. Coleman says that without getting any authority to do so he took upon himself to arrange that Mrs. Lapointe present Her Excellency with a bouquet on her arrival in Quebec.

M.C.

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C150243

If thought advisable to include reference. Sed

Reference to New Governor-General.

Term of Governor coincides with beginning of new Parliament, and new reign;

Governor-General closely associated with his late Majesty - "The King's Grace";

Lord High Commissioner to Church of Scotland,

King's Representative - appointed by George V.

Close association of His Excellency with life of King George has served to strengthen bond between Lord Tweedsmuir and the people of Canada.

In few months here, Lord and Lady Tweedsmuir have already earned esteem and good-will of all Canadians.

In common with His Excellency, we look forward to the associations of the next few years.

~~[illegible]~~ knowledge of his ~~[illegible]~~ achievements and talents have preceded him

Read 14 points
Auto Red book

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"Canada" Lord Tweedsmuir

[redacted]

The Canadian North.

C150244

Canada has still a physical frontier, which the United States have lost. That is to say there is still a borderline beyond which her assets are imperfectly explored. We have long talked of the West as the chief area for expansion, but I think we must begin to turn our thoughts a little to the North. I do not know if you have been following the work which Russia is doing in Northern Siberia. She is steadily, by the use of modern scientific inventions, pushing the habitable frontier further and further north. In Canada we have the same task. With the air as a means of communication, and with devices like the radio, we are being able every year to enlarge in a northerly direction not only the boundaries of our knowledge, but our capacities for development. Our mining activity is a conspicuous instance, but there are many other assets which await development. Twenty years ago we regarded the great Laurentian Shield as a no-man's-land which was a dead loss to Canada; to-day we know that it is the lid of one of the richest treasure-houses on earth. In the same way the Canadian North, which not very long ago was regarded as only the resort of a few hunters and trappers, is now beginning to offer wonderful possibilities.

... ...

I want you, in thinking of Canada, not only to think of it as a comparatively narrow strip of territory between the Atlantic and the Pacific shut in on the North by Arctic wastes, but as a land which, from the United States border up to the Arctic Ocean, can be

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developed for the uses of human life.

In Europe the geographical axis runs east and west; in the New World, it has often been pointed out, the axis runs north and south. In Canada, geography has been defied, and the development has not been to the south, as economic considerations would suggest, but, for political and historical reasons, to the west. But since defiance of geography does create the difficulty that east and west, though politically united, belong to slightly different economic worlds, that is one of the problems which Canada has to surmount. Now ~~to~~ the north, which is common to both east and west, is a natural bridge to unite the two divisions. I look to the north as one of the great unifying factors in the future of the Dominion.

... ...

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Dear Chief [redacted]

C150246

It is a happy
agury & an intimation
that what is to
happen in the
General Election
that a Scotch
Presbyterian & a
personal friend
of yours is to be
the next Governor
General.

In view of the fact
I did my best to save
the church where will I
fit at Rideau Hall

Duff

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C150247

Dear Mr King:-

Is it your understanding that John Buchan is to be our next governor. general? (as indicated in the afternoon papers.)

Can you say whether, in view of the approaching election, you were consulted in any way by the government or any minister about Lord Tweedsmuir's successor?

As I understand Mr Buchan's appointment is pretty official, could you give me any comment on it?

Yours
The Citizen

M-3-35
3.15-June

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C150248

Mr King

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March 26, 1935

Mr. King:

C150249

Mr. Charles Lynch, of the Press Gallery, telphoned to say that there was a news despatch from London, England, to the effect that Mr. John Buchan is to be the next Governor General of Canada. He is asking if you have any knowledge of this.

HRLH.

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NATIONAL COUNCIL

Native Sons of Canada

(DOMINION CHARTER 1922)

C150250

OFFICE OF THE SECRETARY
712 FEDERAL BUILDING
TORONTO, ONT.

March 27th, 1935.

To the Honourable Members of the Senate, and to
the Members of the House of Commons.

Honourable and Dear Sirs:

We give you herewith a copy of a telegram which was today sent to the Right Hon. Sir George Perley, Acting Prime Minister:

"We have learned with alarm today that you are reported to have said that John Buchan, member of the British Parliament and a Scotchman, has been confirmed in the appointment of Governor-General for Canada succeeding His Excellency the Earl of Bessborough.

For years we have been protesting the appointment of other than Canadian citizens as the representative of His Majesty the King in Canada. We, the Native Sons of Canada, feel most strongly on this question and state that the country which did produce the Canadian Expeditionary Force in the last war is able to produce at least one man fit to fill the office of His Majesty's representative in Canada. We are sending you by mail copy of our resolution on this matter presented to the Right Honourable R. B. Bennett some time ago.

Surely in these days of economic depression and because of the Statute of Westminster, the example of Australia should be followed in this regard. The continual appointment of other than a Canadian citizen to this post places Canada and Canadians in an inferior position and is, in our opinion, a definite reflection upon the ability of the Canadian people."

The resolution is as follows:

"We recommend to the Canadian Government that, when the time comes for the appointment of a Canadian Governor-General, the Canadian Government submit to His Majesty the King the name of a Canadian citizen as Governor-General. We also recommend to you that the name of Governor-General be changed to that of Viceroy:

WHEREAS it is necessary for Canada to decrease her expenditures; and
WHEREAS the sum of about $500,000 a year is spent in connection with the office of Governor-General; and
WHEREAS in ten years this will amount to about $5,000,000;
NOW THEREFORE BE IT RESOLVED that the Native Sons of Canada recommend to the Dominion Government that the office of Viceroy of Canada, officially known as the Governor-General of Canada, be not filled for a period of ten years after the term of the present Governor-General expires and that the Chief Justice of the Supreme Court of Canada act in his place and stead, invested with the necessary power and titles."

In this matter, we ask from the Canadian members of Parliament sincere consideration and determination to see to it that Canadians are no longer placed in an inferior position in regard to this matter. Surely the time has come when Canadian citizens may hope that the highest post within their gift may be given to one of their own, if and when it is necessary to have this office filled by other than the Chief Justice of Canada.

Yours very truly,

GEO. J. SMITH

GJS/AIN

NATIONAL PRESIDENT.

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DEPT. OF EXTERNAL AFFAIRS

Prime Minister: C150251

You may be interested in this photostat of the recommendation for John Buchan's appointment; I looked it up today when considering form for recommendation re ~~recor~~ acceptance of Roper.

Ottawa, May 4. OD.

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PRIME MINISTER'S OFFICE
CANADA

C150252

Appd - G.R.G.

The Prime Minister of the Dominion of Canada presents his humble duty to His Majesty the King.

The Prime Minister humbly petitions His Majesty graciously to approve the appointment of John Buchan, Esquire, Companion of Honour, Member of Parliament, as Governor General of His Dominion of Canada.

The Prime Minister remains His Majesty's most faithful and obedient servant.

Richard Bedford Bennett

Ottawa, 23rd March, 1935.

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28.10.35.
W. H. M.

C150253

Arrival of the Governor General and Lady Tweedsmuir at Ottawa

Draft Itinerary for the Prime Minister of Canada

November 4th, 1935.

Dress: Morning Dress

Monday, Nov.4. 2.50 p.m. The Prime Minister arrives at the Union Station (Main Entrance, Plaza). Prime Minister's motor car will park at curb 40 feet east of station entrance.
The Prime Minister will be met by Mr. Measures and will proceed to Track 4.
Red carpet and Troops will at this time be in place from the Main Entrance at Plaza right through the Station to Track 4.

(The Prime Minister will be the only person other than military officers and guards to enter "trainshed". All others will be assembled in the Waiting Room).

3.00 p.m. Arrival of Their Excellencies' train which will back in to Station.

Trainshed
Special wooden platform and steps have been laid over tracks.
The Prime Minister will walk up these steps, enter His Excellency's car and greet Their Excellencies inside the car.
In leaving the car the Prime Minister will follow immediately behind Their Excellencies.
As His Excellency leaves the car the Band and Troops will give a Royal Salute. (Mr. King should raise his hat).

His Excellency will inspect the Guard.
Mr. King will remain with Her Excellency.
Colonel MacKenzie will present to His Excellency the five staff officers in attendance.
Their Excellencies and Prime Minister will proceed between a double line of Ottawa Highlanders from the trainshed through the concourse to the Waiting Room in the following order:

Waiting Room

Major Fenton

A.D.C. A.D.C.

Their Excellencies
The Prime Minister of Canada

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The Prime Minister will present to Their Excellencies the following:

Members of the Cabinet,
Minister of France,
Minister of Japan,
Minister of the United States,
High Commissioner for the United Kingdom, or
their representatives,
and
Mayor of Ottawa.

Presentation of other persons will be made by His Excellency's Staff.

Following the presentations the Mayor of Ottawa will read an Address and offer a key of the City.

Their Excellencies and the Prime Minister will proceed between lines of Ottawa Highlanders and Royal Canadian Naval Volunteer Reserve up the stairway to the main exit from the Central Station (Plaza) where Their Excellencies' carriage will be waiting facing west.

The Prime Minister will take leave of Their Excellencies, who will drive off in a westerly direction by the route shown in the printed programme.

Mr. King's motor car, which has been parked on the Plaza about forty feet east of Station entrance, will back up to Station entrance. Mr. King will enter his car and drive away in an easterly direction.

(When the Prime Minister arrives at the trainshed, he will see troops drawn up west of track 4. They will have their King's Colours unfurled. The Prime Minister passes near the Colours, and he should salute the King's Colours by raising his hat as he passes them).

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C150255

MR. KING:

Invitations are being issued to Mr. and Mrs. Massey, covering all points in connection with the installation of the Governor General at Quebec.

EAP.

Oct. 28, 1935

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October 29, 1938.

C150256

[redacted]

Mr. King:

The department of the Secretary of State have advised that invitations for the installation at Quebec were sent to:

Hon. R. B. Bennett,

Sir Robert and Lady Borden,

Senator and Mrs. Meighen.

Word has been received in the case of all that they are unable to go to Quebec.

EAP.

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C150257

MEMORANDUM FOR MR. KING:

I have taken up with Mr. Measures and Mr. Coleman the question of invitations for Sir Robert and Lady Borden, Senator and Mrs. Meighen, and Mr. Bennett, to the installation ceremonies at Quebec.

Invitations, speaking generally, are restricted to members of the Government of Canada and Quebec, Judges, and Privy Councillors, resident in Quebec. Invitations will, of course, be issued to anyone you wish, but it has been thought advisable to let you know that in the ordinary course of events, invitations will not be issued to the above persons.

The following points will have to be dealt with in the issuing of these invitations:

Mr. Bennett, if he accepts, re luncheon

Mr Bennett "

Yes.

Yes

1. Are the above persons to be invited to travel as Government guests on the special train, and to stay at the Chateau as guests of the Government?

2. Are intimations to be sent, suggesting their presence at the wharf at Wolfe's Cove?

3. It is assumed word is to be sent, requesting their presence at the installation ceremony itself.

4. It is also assumed that invitations are to be sent for the Government luncheon.

5. Should Government House at Quebec be informed that these persons have been invited by the Government to Quebec, with the end in view that invitations be extended to them to the Dinner by the Lieutenant Governor?

~~Mr B~~ Yes, if they accept re luncheon & installation

EAP.

Oct. 28, 1935

Borden have declined.

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C150258

October 31, 1935.

Nicol:

Re Decorations for Quebec

Mr. King as asked that you take along his C.M.G. medal and the miniature thereof, his Membership Button in the Canadian Legion, his Silver Jubilee Medal and the miniature thereof.

E.A.P.

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C150259

November 1, 19[redacted]

Mr. King:

When accompanying His Excellency the proper position is for you to walk on His Excellency's left.

EAP.

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November 1, 1935.

Mr. King:

C150260

Mr. Measures has telephoned from Quebec. In 1926 Mr. Larkin who was High Commissioner was present at the installation. He had a seat at the Council Table during the ceremony.

Would you like the same arrangements made for Mr. Massey? The government officers at Quebec are not proposing this, they are merely seeking your instructions.

There are one or two Privy Councillors who will be present, such as Lucien Cannon who will not have a seat at the table. It is also pointed out that Mr. Massey's appointment takes effect only on November 8th.

A good reserved seat will be arranged for Mr. Massey E.A.P. if you do not wish to have him at the table. E.A.P.

(Mr. K. said not to have placed at Council table, but given a good reserved seat, also for Mr. Massey.)

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November 1st, 1935.

C150261

Mr. King:

Re Wearing of Silver Jubilee Medal

The State Department advises the following:

(1) With Civil Evening Dress:

In this case the Jubilee Medal in miniature is worn on the left lapel of the evening coat, one inch below the point of the shoulder. (This information is authentic; it has been obtained from an official circular authorized by the Deputy Minister of National Defence, after the presentation of the Silver Jubilee Medals.

(2) With Levee Dress:

There is nothing official as to usage on this point but the State Department informs me that there is an agfeement among appropriate officers in the Service to the following effect:

> Levee uniform is a species of court dress uniform ~~but~~ and in such cases the medal itself (not the miniature) is worn. The medal is worn in the same position as that with civil evening dress.

I have given Nicol a copy of this memo.

E.A.P.

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Prime Minister's copy

C150262

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CANADA

C150263

1.11.35
WHM

DEPARTMENT OF THE SECRETARY OF STATE
OF CANADA

Installation of Lord Tweedsmuir at Quebec

Itinerary for the Prime Minister of Canada

Saturday,
Nov. 2, 4.45 p.m. Arrive Quebec, Palais Station, Motor cars with numbered labels on windshields will meet train. No. of Mr. King's motor car: C-100
No. of Nicol's car: C-127

Baggage: Special arrangements have been made for the transfer of baggage of the Prime Minister from the Palais Station to the Chateau Frontenac Hotel, immediately upon the arrival of the train.

Proceed to Chateau Frontenac Hotel.

Room numbers:

The Prime Minister--3401, 3403
Mr. Pickering-- 3405
J. S. Nicol-- 3407
----Ayotte-- 3409

Dress: Change to Levee Uniform (trousers)

6.30 p.m. Leave ~~Chateau Frontenac Hotel~~ Palais Station in motor car No. C-100 for Wolfe's Cove terminal.

6.50p.m. Arrive outside Wolfe 's Cove terminal. Prime Minister will be conducted via covered stairway to enclosure " A " at ship side.

7.00p.m. With Administrator and Secretary of State of Canada, go on board "Duchess of Richmond" to pay respects. Mat on deck by Governor General's Secretary (Mr. Redfern).

7.10p.m. Leave ship and take position near foot of gangway, in enclosure " A " (so marked in large letter).

7.15p.m. With Administrator and Lieutenant-Governor of Quebec receive Lord and Lady Tweedsmuir in enclosure at foot of gangway. Present members (8) of Dominion Cabinet and Premier Taschereau to Lord and Lady Tweedsmuir. Premier Taschereau will present his Ministers (4). Col. Mackenzie will present the military, naval and air officers (8).

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DEPARTMENT OF THE SECRETARY OF STATE
OF CANADA

After presentations Lord Tweedsmuir leaves enclosure " A " to inspect Guard of Honour.

After Lord Tweedsmuir has left enclosure " A ", Prime Minister will be conducted to his motor car by same route as he arrived.

Lord and Lady Tweedsmuir's carriage will proceed by way of Gilmour Hill, National Battlefields Park, and Grande Allée to Main Entrance of Parliament Buildings.

Prime Minister will proceed from Wolfe's Cove by motor car by shortest route to Grande Allée entrance of Parliament Buildings, where he will be conducted to the apartments of the Speaker of the Legislative Council (Room 105). (Leave cocked hat as well as cloak).

Installation
8.25 p.m.

When the Prime Minister and all the Dominion Cabinet Ministers, who have places at Council Table have arrived at the apartments of the Speaker, Room 105, they will be conducted to Legislative Council Chamber where they will take their seats at the Council Table.

See Official Programme for diagram (Para. 19).

8.30 p.m.

Installation Ceremony

- - - - - - - - - - -

Reception and Buffet Supper:

After Their Excellencies have left the Council Chamber, the Prime Minister of Canada and the Cabinet will follow and proceed behind Their Excellencies' procession to the Parliamentary Restaurant, where all the guests at the Installation will be presented to Their Excellencies. Colonel Papineau will announce the names and Their Excellencies will shake hands. The Prime Minister will probably wish to stand with (or behind) Their Excellencies.

After the guests have been received, Their Excellencies, the Prime Minister of Canada, Members of the Dominion Cabinet and their wives, the Chief Justice of Canada, Premier Taschereau and others, to the total of 40, will be served with a buffet supper in a small room.

Refreshments will be served to the guests in the Parliamentary Restaurant until Their Excellencies leave.

The Prime Minister with the Lieutenant Governor and Madame Patenaude will accompany Their Excellencies to the main exit of the building. He will then be conducted to the Speaker's apartments, Room 105, and thence to his motor car at the Grande Allée exit.

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DEPARTMENT OF THE SECRETARY OF STATE
OF CANADA

The Prime Minister will proceed to the Palais Station in order to say goodbye to Their Excellencies.

11.10 p.m. Their Excellencies train leaves Palais Station.

The Prime Minister ~~can~~ go on board his own car 100 ~~or return to the Chateau Frontenac.~~

12.15 The train carrying the Prime Minister to Ottawa leaves the Palais Station.

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Copy for Prime Minister's Secretary [redacted]6

18.10.38
WLMK

Installation of Lord Tweedsmuir at Quebec C150266

Draft Itinerary for Mr. Mackenzie King

Friday, Nov. 1.	2.30 p.m. approx.	Leave Ottawa on board C.N.R. car 100 by special train. Dinner on car.
	9.30 p.m. approx.	Arrive Quebec, Palais Station. Numbered motor cars will meet train. Proceed to Chateau Frontenac Hotel.
Saturday, Nov. 2.		Breakfast at Hotel
Wolfe's Cove		Dress for morning ceremonies: Levee Uniform (trousers)
	10.10 a.m.	Leave Chateau Frontenac Hotel by motor for Wolfe's Cove terminal
	10.25 a.m.	Arrive outside Wolfe's Cove terminal. Walk by covered stairway to enclosure at ship side.
	7.00 ~~10.30 a.m.~~	With Administrator and Secretary of State of Canada go on board "Duchess of Richmond" to pay respects. Met on deck by Governor General's Secretary (Mr. Redfern) who will introduce Governor General's staff and conduct you to special room where Lord Tweedsmuir will receive you.
	10.40 a.m.	Leave ship and take position near foot of gangway.
	1.15 ~~10.45~~ a.m.	With Administrator and Lieutenant Governor of Quebec receive Lord and Lady Tweedsmuir in enclosure at foot of gangway. Present members of Dominion Cabinet and Premier Taschereau to Lord and Lady Tweedsmuir. Premier Taschereau will present his Ministers.
		After presentations, Lord Tweedsmuir will inspect Guard of Honour.
		Prime Minister will take leave of Lord and Lady Tweedsmuir who will go in procession down stairs to their carriages.
		Prime Minister will walk to his motor car by same route as he arrived.

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Saturday, Nov. 2.

Lord and Lady Tweedsmuir's carriage will proceed by way of Gilmours Hill, National Battlefield Park, and Grande Allée to Main Entrance of Parliament Buildings.

Prime Minister will proceed from Wolfe's Cove by motor car by shortest route to Grande Allée entrance of Parliament Buildings, where he will be conducted to a Dressing Room (Leave cocked hat as well as cloak).

Installation

6.30

When the Prime Minister and all the Dominion Cabinet Ministers, who have places at Council Table have arrived at this Dressing Room, they will be conducted to Legislative Council Chamber where they will take their seats at the Council Table.

See Programme for diagram. (Page seven typewritten memorandum, Para. 25 of 1926 programme).

Will Prime Minister of Canada read an Address?

After Their Excellencies have left the Chamber, Mr. King proceeds to Dressing Room, and leaves from Grande Allée exit of Building by motor car for Chateau Frontenac.

Change to Morning Dress.

Luncheon by the Government of Canada. Ballroom, Chateau Frontenac, 1.45 p.m. Morning Dress.

1.40 p.m. Leave suite of rooms and proceed to Salon Madeleine de Vercheres (1st floor).

1.45 p.m. Receive Luncheon guests in Salon. Guests will proceed at once to find their places at tables. Senior Cabinet Minister to continue receiving guests after Mr. King leaves Salon for Hotel entrance.

1.50 p.m. Leave Salon with wife of Senior Cabinet Minister and proceed to Main Entrance of Hotel.

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C150268
C 149883

1.55 p.m. Receive Their Excellencies at Entrance of Hotel and conduct them to their Dressing Rooms on first floor (two elevators reserved); and thence to Ballroom.

2.00 p.m. When Their Excellencies appear at entrance of Ballroom (all guests being then in their places), six bars of "God Save the King" will be played.

Prime Minister will propose Toasts:

The King

His Excellency the Governor General of Canada

(Speech by Prime Minister of Canada)

His Excellency the Governor General will reply.

After Luncheon Their Excellencies will take up position at Ballroom exit where Prime Minister will present to Their Excellencies Luncheon guests as they leave Ballroom.
(Names to be announced by Colonel Willis-O'Connor, or Colonel Papineau)

Prime Minister and wife of Senior Cabinet Minister will conduct Their Excellencies to Dressing Rooms; and, by elevators, to main floor and Hotel exit.

Dinner by Lieutenant-Governor of Quebec at Spencerwood
8.00 p.m. Evening Dress with medals and decorations.

Nov 2.

7.30 p.m. Leave Chateau Frontenac for Spencerwood.

8.00 p.m. Dinner

10.30 p.m. After dinner Prime Minister will proceed in his motor car from Spencerwood to Palais Station, there to take leave of Their Excellencies.

Return to hotel for night, or go on board Car 100.

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GOVERNMENT HOUSE,
OTTAWA.

C150269

Moves of Their Excellencies during January,1936

Monday, January 13th: Eveing.	Their Excellencies, accompanied by members of their family, leave for Noranda and Kirkland Lake.
Friday, January 17th: Morning	Their Excellencies return to Ottawa.
Tuesday, January 21st: 11.35 p.m.	His Excellency leaves for Toronto to attend meeting of Association of Bookmen; dinner at Upper Canada College: and opening of Women's College Hospital.
Thursday, January 23rd: 7.45 a.m.	His Excellency returns to Ottawa.
Friday, January 31st: Afternoon	Their Excellencies leave for Montreal to attend the Charity Ball, returning to Ottawa on the morning of Sunday, February 2nd.

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CANADA

[redacted]

Mr. Pickering's copy

[redacted]

New Year Levée
January 1st, 1936

C150270

Dress: Morning Dress 2 cards

11.55 a.m. Arrive Parliament Buildings: Private Entrance of Speaker, House of Commons. Proceed to Room 212. Leave coat.

12.05 Leave Room 212 and proceed along north corridor to House of Commons Reading Room (Room 223) where Prime Minister will be met by Mr. Pereira; here foreign Ministers, the Church, and Cabinet, etc., will be marshalled.

12.10 to 12.15 Mr. Pereira will give Mr. King signal when to:
Leave Reading Room and proceed to Hall of Fame to be presented to His Excellency, after which Mr. King will stand in position as shown on diagram. (P.T.O.)

For the purposes of the Levée, the Parliament Buildings are considered to be His Excellency's residence. For this reason, the Prime Minister does not meet His Excellency when he enters the Buildings nor does Mr. King see him off when His Excellency leaves.

P.T.O

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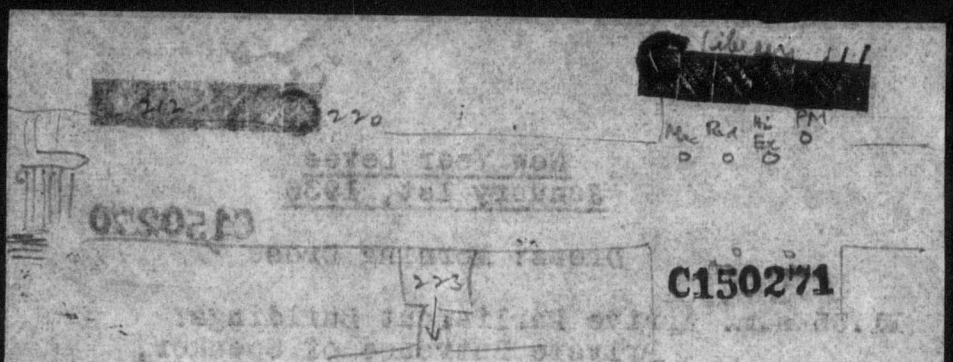

[redacted] 220

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Mac Rad Hi Ex PM

C150271

223

His Excellency will arrive at 12.00 at Speaker's Entrance where his Honorary A.D.Cs. form up at 11.45 to meet him. Procession to his Dressing Room (220). Procession to Hall of Fame.

After all presentations procession to Dressing Room (220) and thence to Speaker's Entrance.

Captain Fairfax-Lucy and Hon. Alistair Buchan will be presented immediately after the Prime Minister. They will walk just behind Mr. King from the Reading Room to the Hall of Fame. ~~If Mr. King likes to do so he may ask them to walk with him.~~

After all presentations have been made, Mr. King may, if he wishes, follow His Excellency to his Dressing Room (Room 220) for a few moments chat.

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C150272

[redacted]

Diplomatic Representatives

will receive on New Year's Day morning

10.30 a.m. **France:**
to
11.30 Mr. R. A. Turck, (Mme T. in France
(Chargé d'Affaires)
395 Laurier Ave.E.

10.30 a.m. **Japan:**
to
11.30 Mr. S. Kato and Mrs. Kato,
192 Daly Ave.

10.30 a.m. **United States:**
to
11.00 Mr. N. Armour and Mrs. Armour,
United States Legation,
100 Wellington St.

11.55 a.m. Mr. King arrives Parliament
Buildings.

Bennett 4.30 - 6.00
Chateau Laurier drawing room

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ENGAGEMENT

DATE— January 1st, 1936.

HOUR— 12.15 p.m. C150273
(Mr. King to arrive at Parl'm't. Buildings at 11.55 a.m.)

EVENT- His Excellency's New Year Levee.

NAME—

PLACE- Hall of Fame, Parliament Buildings.

PHONE NO.—

REMARKS—

Morning Dress.

Leave Laurier House 11.45 a.m. Speaker's Entrance, House of Commons.

Mr. King to take two calling cards, attached hereto.

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C150274

Private.

REGULATIONS FOR HIS EXCELLENCY'S NEW YEAR LEVÉE

To be Held in the Hall of Fame of the Parliament Buildings on Wednesday, 1st January, 1936, at 12.15 P.M.

The Right Honourable the Prime Minister, the Minister of France, the Minister of Japan, the Minister of the United States, the Apostolic Delegate, the Most Reverend G. Forbes, Archbishop of Ottawa, the Most Reverend J. C. Roper, Archbishop of Ottawa, the Moderator of the Ottawa Presbytery of the Presbyterian Church, the Chairman of the Presbytery of Ottawa of the United Church of Canada, the Members of the Cabinet, the High Commissioner for the United Kingdom, the Chief Justice, Privy Councillors not of the Cabinet, the Speaker of the Senate, the Speaker of the House of Commons, the Consuls General, Judges of the Supreme and Exchequer Courts, Senators and Officials of the Senate, Members of Parliament, Officials of the House of Commons, Members of the Legislative Assembly, Principal Officers of the Public Service, Deputy Ministers and those holding the rank of Deputy Ministers, the Chairman and Commissioners of the Railway Commission, the Chairman and Commissioners of the International Joint Commission, the Commissioners of Income Tax, Customs and Excise, the President of the National Research Council, the Chairman and Commissioners of the Radio Broadcasting Commission, the Chairman and Members of the Tariff Board, the President and Members of the Pension Appeal Court, the Vicar General, the Sheriff of the County of Carleton and the Mayor of Ottawa, will enter the Parliament Buildings by the PRIVATE ENTRANCE OF THE HONOURABLE THE SPEAKER OF THE HOUSE OF COMMONS AND ASSEMBLE IN THE READING ROOM OF THE HOUSE OF COMMONS.

It is specially requested that those having the Private and Special Entrée may assemble in the Room indicated above not later than 12.00 o'clock.

The Naval, Military, Air Force, and Royal Canadian Mounted Police Officers will enter by the HOUSE OF COMMONS ENTRANCE OF THE PARLIAMENT BUILDINGS, and assemble in the Chamber of the House of Commons.

Gentlemen attending are requested to provide themselves with two visiting cards, one to be left with the Orderly and the other to be handed to the Aide-de-Camp in Waiting.

His Excellency will wear Morning Dress.

A. S. REDFERN,
Secretary to the Governor General.

GOVERNMENT HOUSE,
21st December, 1935.

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CANADIAN AUTHORS' ASSOCIATION

[redacted]

C150275

THE GOVERNOR GENERAL'S VISIT TO MONTREAL

His Excellency the Governor General, Honorary President of the Canadian Authors' Association, will receive and address the members at a Luncheon arranged by the National Executive in the ballroom of the Mount Royal Hotel, Montreal, on Saturday, February 1. The Governor General will be accompanied by Her Excellency Lady Tweedsmuir. Dr. Pelham Edgar, National President, will occupy the chair.

Tickets, $1.50 each, are to be obtained by detaching the form (below) and sending it, with the required amount, to Miss Fair, Secretary of the Montreal Branch, 2075 Mansfield Street, Montreal.

Each member may take a second ticket.

Dress, optional.

A large attendance is expected, including not only the Montreal Branch but representatives of the Ottawa, Toronto and other Branches, and of the French Section. Please send notice of your intention as soon as possible.

Members of the National and Branch Executives will assemble in an adjoining room at one o'clock, to receive Their Excellencies.

Other members of the company will need to be in their seats by 1.15.

A Reception is to be held after lunch. Their Excellencies return to Ottawa by the afternoon train from Windsor Station.

(Detach and mail to "Secretary, 2075 Mansfield St., Montreal").

I hope to attend the Canadian Authors' Association Luncheon in the Mount Royal Hotel, February 1, and will be accompanied by

.....

I enclose $ (cheque, money order or postal note, payable to Canadian Authors' Association; not in cash).

Name .....

Address .....

JAN 11 1936

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OFFICE OF THE PRIME MINISTER

MEMORANDUM

C150276

Jan. 20, 1936

MR. HENRY:

I think these books might appropriately be passed on to His Excellency, without more than a line to Mr. Redfern saying that this had been done at my request.

As His Excellency will be visiting the Maritime Provinces, I think he will be interested particularly in seeing "The Cape Breton Giant", and the "Canadian Grammar", by James D. Gillis. They are books of which he will wish to know, and the reading of which will cause him some amusement.

The Carmichael family, being outstanding in the Maritime provinces, His Excellency will, I think, enjoy seeing the little sketch by the late John Sinclair.

You might tell Mr. Redfern to mention to Her Excellency, when Their Excellencies visit the Maritime provinces, that Miss Carrie Carmichael (now quite elderly), was appointed by the Government of Canada as one of the Canadian advisers to the Labour Conference at the League of Nations. Miss Carmichael was accompanied by Miss Violet Markham at that time, who also received appointment under our late government.

WLMK.

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OFFICE OF THE PRIME MINISTER

MEMORANDUM

C150277

As His Excellency will be visiting the Maritime Provinces, I think he will be interested particularly in seeing "The Cape Breton Giant", and the "Canadian Grammar", by James D. Gillis. They are books of which he will wish to know, and the reading of which will cause him some amusement.

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OFFICE OF THE PRIME MINISTER

MEMORANDUM

Ottawa,
January 31, 1936

MR. KING:

Mr. Beauchesne telephoned to let you know that Mr. Redfern called him this morning and mentioned to him that His Excellency was surprised to hear of the reported dismissals at the House of Commons, and he could not see why employees should be dismissed because of their political leanings.

HRLH.

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Mrs. King to see

File

C150279

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ITINERARY FOR THEIR EXCELLENCIES' VISIT TO THE
EASTERN TOWNSHIPS OF QUEBEC, MARCH, 1936

Leave Ottawa	Monday,	March	2	4.05 a.m.	C.P.R.
Arrive Montreal	"	"	2	7.00 a.m.	"
Leave Montreal	"	"	2	9.35 a.m.	"
Arrive Farnham	"	"	2	10.35 a.m.	"
Leave Farnham	"	"	2	4.58 p.m.	"
Arr. Sherbrooke	"	"	2	7.00 p.m.	"
Lv. Sherbrooke	Wednesday,	"	4	7.40 a.m.	Q. Central
Arr. Thetford Mines	"	"	4	9.55 a.m.	"
Lv. Thetford Mines	"	"	4	7.05 p.m.	"
Arr. Sherbrooke	"	"	4	9.20 p.m.	"
Lv. Sherbrooke	Thursday,	"	5	10.40 a.m.	C.N.R.
Arr. Richmond	"	"	5	11.25 a.m.	"
Lv. Richmond	"	"	5	11.50 a.m.	"
Arr. Victoriaville	"	"	5	12.59 p.m.	"
Lv. Victoriaville	"	"	5	2.35 p.m.	"
Arr. Richmond	"	"	5	3.45 p.m.	"
Lv. Richmond	Friday,	"	6	8.30 a.m.	"
Arr. St. Hyacinth	"	"	6	10.10 a.m.	"
Lv. St. Hyacinth	"	"	6	5.13 p.m.	"
Arrive Montreal	"	"	6	6.30 p.m.	"
Leave Montreal	"	"	6	7.10 p.m.	"
Arrive Ottawa	"	"	6	9.30 p.m.	"

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CANADA

C150280

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PROGRAMME OF ARRANGEMENTS

for the

V I S I T

of

Their Excellencies the Governor-General and the
Lady Tweedsmuir

to

HAMILTON, LONDON, STRATFORD, KITCHENER & KINGSTON

MAY 1936

Composition of Party:

His Excellency the Governor-General
Her Excellency the Lady Tweedsmuir
Mrs. A.S.Redfern - in attendance on Her Excellency
Mr.A.S.Redfern - Secretary to the Governor-General
Captain P.J.S.Boyle - Aide-de-Camp

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RAILWAY SCHEDULE

				Standard Time.	
Lv.	Ottawa	Monday,	May 25th	10.45 p.m.	C.N.R.Pool
Arr.	Toronto	Tuesday,	" 26th	7.00 a.m.	
Lv.	"	"	" 26th	7.30 a.m.	
Arr.	Hamilton	"	" 26th	8.30 a.m.	
Lv.	"	Wednesday,	" 27th	12.55 a.m.	
Arr.	London	"	" 27th	3.25 a.m.	
Lv.	"	Thursday,	" 28th	7.05 a.m.	
Arr.	Stratford	"	" 28th	8.12 a.m.	
Lv.	"	"	" 28th	4.25 p.m.	
Arr.	Kitchener	"	" 28th	5.15 p.m.	
Lv.	"	Friday,	" 29th	5.15 p.m.	
Arr.	Toronto	"	" 29th	7.35 p.m.	
Lv.	"	"	" 29th	10.59 p.m.	
Arr.	Kingston,	Saturday,	" 30th	3.10 a.m.	
Lv.	"	"	" 30th	1.00 p.m.	
Arr.	Ottawa	"	" 30th	5.15 p.m.	C.P.R.

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C150282

HAMILTON, Ont. Population 155,547

Mayor	Wm. Morrison, K.C.
Senator	Hon.G.Lynch-Staunton
Federal M.P.....	H.E.Wilton (Con)
"	A.A.Brown "
Prov.M.P.....	W.F.Schwenger (Lib)
"	S.Lawrence (C.C.F.)
"	Hon.T.B.McQuesten (Lib)
Hon.A.D.C.....	Colonel C.W.G.Gibson, M.C.,

Situated on a land locked harbour at the west end of Lake Ontario. American Capital in excess of sixty million dollars is invested there, resulting in the employment of many thousands of people. Has a position not unlike Manchester, England, as a clearing house. Is but an over-night run from many large cities on the continent. Has the finest natural harbour on the Great Lakes.

Hydro Electric Power - white coal - is cheaper there than anywhere else in the world. The city is both a residential and a manufacturing centre.

In 1669, the intrepid French explorer La Salle was the first white man to visit the site which is now Hamilton. United Empire Loyalists were among the early settlers.

Hamilton was of considerable military importance during the War of 1812. When General Vincent, commanding the British Forces, retired from the Niagara Frontier, he took up a stand on Burlington Heights on the north-west boundary of the city, and operating from that base repelled the invading forces at the Battle of Stoney Creek, in June 1813, thus definitely determining the future of this Dominion as an important part of the British Empire.

LONDON, Ontario. Population 71.148

Mayor	T.F.Kingsmill, Jr.
Senators	Hon. E.S.Little
	Hon. D.Sutherland
Federal M.P....	F.C.Betts (Con)
Prov. M.P.....	Dr. A.S.Archibald (Lib)
Hon.A.D.C.....	Colonel W.H.Kippen, D.S.O.
"	Colonel G.E.Reid, D.S.O.

Headquarters of Military District No.1, under the command of Brigadier J.S.Stewart, D.S.O.,

London is situated on the River Thames in the County of Middlesex, and is the centre of a rich agricultural district; has one of the best markets in Ontario for grain, live stock and produce.

The City has a great natural beauty, with wide regular streets, boulevards, fine parks, and publicly owned utilities. Is the leading educational centre of Western Ontario, having Western University, Provincial Normal School, Collegiate Institute and 25 schools, including a Technical and Art School.

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C150283

STRATFORD, Ontario. Population 17,742

Mayor ..... W.H.Gregory
Senators ..... Hon.E.S.Little
..... Hon.D.Sutherland
Federal M.P... F.C.Sanderson (Lib)
Prov. M.P..... W.A.Dickson (Lib)

Stratford is 85 miles West of Toronto. Has Railway Locomotive Repair Shops, and is a manufacturing centre - furniture, brassware, leather goods, chocolates, threshing machines, flour, bricks and tiles, bridge and iron works. clothing, etc.

KITCHENER, Ontario. Population 30,793

Mayor ..... J.A.Smith
Senators ..... Hon. E.S.Little
..... Hon. D.Sutherland
Federal M.P... Hon. W.D.Euler (Lib)
Prov. M.P..... N.Asmussen (Lib)

Kitchener was formerly Berlin; is in the county of Waterloo; 62 miles west of Toronto.

It is a notably progressive manufacturing centre. The present Prime Minister of Canada was born at Kitchener in 1874.

The chief industries are shirts, collars, buttons, gloves, boots and shoes, automobile tires, furniture, clocks, travelling trunks, etc.

A considerable percentage of the population of Kitchener and surrounding country is of German descent. Names of nearby towns and villages indicates the German association, such as, Baden, Mannheim, Breslau, Heidelburg, Winterborne and New Germany.

One daily paper is published at Kitchener, "The Record", of which the President is the Hon. W.D.Euler, Minister of Trade and Commerce.

In addition to being an important manufacturing city, Kitchener is also important as a wholesale or distributing point. The adjacent country is a productive farming area.

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KINGSTON. Ont. Population 24,000

Mayor ..... George Hanson
Senator ..... Hon.H.H.Horsey
Federal M.P... Hon. Norman McL. Rogers (Lib)
Prov.M.P..... Lieut.Col.T.A.Kidd (Con)
D.O.C.,M.D.3.. Brig. W.B.Anderson, C.M.G.,D.S.O.

The old limestone City of Kingston crowns the slope of a long promontory where Lake Ontario, the St. Lawrence River and the Catarqui River meet, and is in a position which has long been of strategic importance.

The first settlement was made in 1673, when De Frontenac led his expedition to the Thousand Islands and erected Fort Frontenac, which was captured by the British in 1758.

After the American War of Independence, United Empire Loyalists took up land at Kingston.

The opening of the Rideau Canal, which became an important waterway, gave a strong impetus to the growth of the town and its shipyards became of first importance.

The City is well provided with Public Schools. Queen's University was founded in 1841. The three faculties in which Degrees are granted are: Arts, Applied Science and Medicine. Queen's Theological College is affiliated with the University.

Industries include the manufacture of locomotives, textiles, brooms, paper boxes, tiles, pianos, chemicals, etc.

The Whig-Standard Daily Newspaper is a combination of two papers founded in 1810 and 1834 respectively.

St. George's Anglican Cathedral was built in 1791.

Charles Dickens once stayed at the British American Hotel.

Alvington House on King Street West was the residence of Lord Sydenham, the first Governor-General of Canada.

Kingston was once the seat of Government, which fact accounts for its many substantial public buildings.

For many years, Kingston was the home of Sir John A.Macdonald.

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C150285

PROGRAMME FOR HAMILTON (Daylight Saving Time)

Tuesday, May 26th:

10.25 a.m.	Reception at Station by His Worship The Mayor, Members of the Board of Control, and members of the Reception Committee, and their wives. Boy Scouts and Girl Guides will be lined up at the station. Inspection of Guard of Honour - The Royal Hamilton Light Infantry (Colonel F.C.Thomson in command) - in front of the station entrance.
10.45 a.m.	Party will proceed by motor-car to the Cenotaph, where His Excellency will place a wreath. Introduction of Boer War Veteran Officers.
11.10 a.m.	Party leaves the Cenotaph for the Mountain Sanatorium.
11.30 a.m. to 12.00 noon	Inspection of Sanatorium. (President - R.L.Smith)
12.20 p.m. to 1.00 p.m.	Reception at City Hall. Presentation of Address and Reply.
1.00 p.m.	Party leaves the City Hall for return to train.
2.30 p.m.	Party leaves train for Stadium.
2.46 p.m. to 3.15 p.m.	Annual Exercises of the Public Schools - about 20,000 children will participate.
3.15 p.m.	Leave Stadium for Headquarters of the Victorian Order of Nurses
3.45 p.m.	Leave Victorian Order of Nurses for Court House Square, where the United Empire Loyalists will present His Excellency with a Wedgewood Plaque.
4.00 p.m.	Leave Court House Square for motor drive to Stoney Creek Battlefield; where tea will be served.
5.00 p.m.	Return to City. Dinner on train.
9.15 p.m.	Their Excellencies attend performance of the St. Matthew Passion by the Bach Choir

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PROGRAMME FOR LONDON (Standard Time)

Wednesday, May 27th:

11.30 a.m.	Reception at the station by the members of the Reception Committee. Leave station for Victoria Park.
11.45 a.m.	Arrive Victoria Park: Inspection of Guard of Honour - Canadian Fusiliers, City of London Regiment. Introduction of about 45 citizens, after which party will proceed to platform. Selection by School Children Presentation of Civic Address Governor-General's Reply. Presentation of flowers to Her Excellency by the Local Council of Women Presentation by His Excellency of Bar to St. John Ambulance Service Medal to Miss Eleanor K. Davis, and the Service Medal to Miss Margaret M.Sutherland. Selection by School Children Party leave platform - inspection of Boy Scouts, Girl Guides, Canadian Red Cross, V.C.N., St. John Ambulance Brigade, and I.O.D.E.
12.20 p.m.	His Excellency places wreath on Cenotaph and inspects Veterans.
12.30 p.m.	Motor-drive
12.45 p.m.	Her Excellency arrives at the London Hunt Club to attend luncheon arranged by the Local Council of Women, leaving at 2.15 p.m. for the train.
1.05 p.m.	His Excellency lunches with the Ontario Medical Association, leaving at 2.30 p.m. for train.
3.20 p.m.	Leave train for Tweedsmuir Hall (Canadian National Institute for the Blind) which His Excellency will open.
3.50 p.m.	Leave Tweedsmuir Hall for Byron Sanatorium, via University
4.05 p.m.	His Excellency opens C.K.Morgan Surgical Pavilion of the Queen Alexandra Sanatorium. Tea.
5.15 p.m.	Leave Sanatorium for train, driving via Springbank Park.

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C150287

LONDON (CONTINUED)

Wednesday, May 27th.

7.40 p.m. His Excellency leaves the train:-

7.50 - 8.10 p.m. Visit Tweedsmuir Branch, Canadian Legion of the B.E.S.L.

8.10 - 8.25 p.m. Drive to the University of Western Ontario.

8.30 p.m. Attend Victoria Hospital Graduation Exercises.

p.m. Return to train.

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PROGRAMME FOR STRATFORD (Standard Time)

Thursday, May 28th:

10.30 a.m.	Reception at Station by His Worship The Mayor, Members of the City Council, the Warden of the County of Perth and their wives.
	Inspection of Guard of Honour - The Perth Regiment.
10.45 a.m.	His Excellency places a wreath at the Civic War Memorial.
10.55 a.m.	Arrive Collegiate Institute. Reception by the Board of Education and the Principal of the Collegiate Institute; presentation of teaching Staff.
11.10 a.m.	Sign Visitors' Book at the Canadian Legion.
11.15 a.m.	Reception at City Hall:- programme - "God Save the King" and "O Canada" by school children Presentation of Address by the Mayor Governor-General's Reply. Presentation of flowers to Her Excellency. "Dear Canada, Dear Land of Mine" by school children Their Excellencies proceed to Rotunda of City Hall where Their Excellencies will meet local Members of Parliament, the members of the County Council, members of Civic Boards, Court Officials, the Clergy, representatives of charitable, patriotic and cultural organisations, and other citizens.
	Drive to points of interest
12.00 noon	Visit Shakesperian Garden. Party will be received by the Chairman of the Board of Park Management. His Excellency will open the Garden to the public by cutting a barrier of ribbon.
12.15 p.m.	Visit Knox Church.
12.20 p.m.	Sign Visitors' Book at Officers' Mess at Armouries.
12.30 p.m.	Return to train.
3.17 p.m.	Leave train for Shakespeare.
3.30 p.m.	Party will be received by the Chairman of the

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STRATFORD (CONTINUED)

Thursday, May 28th:

Committee in Charge, and His Excellency will unveil a Cairn to the memory of the Perthshire pioneers who settled in the Township of North Easthope about 100 years ago.

Leave Shakespeare for Stratford.

4.05 p.m. Arrive Railway Station - Inspection of Boy Scouts and Girl Guides. Presentation of Scout and Guide Officers.

4.25 p.m. Leave Stratford for Kitchener.

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PROGRAMME FOR KITCHENER (Standard Time)

Thursday, May 28th:

5.15 p.m. Reception at Station by Mayor J.A.Smith, Hon.W.D. Euler, N.Asmussen, M.L.A., Brigadier Stewart, D.O.C., Colonel H.J.Sims, Members of the City Council, and their wives; also by heads on local organisations - Canadian Legion, Army and Navy Veterans, Victorian Order of Nurses, I.O.D.E., Women's Canadian Club, etc; after which Their Excellencies will retire to their private cars.

7.30 p.m. His Excellency leaves the train for the Officers Mess of The Scots Fusiliers of Canada.

7.30 p.m. Her Excellency, and Mrs. Redfern leave to dine with Mrs. H.J.Sims, at Chicopee. Lt.Col.E.G. Barrie will accompany them.

Friday, May 29th:

10.30 a.m. Their Excellencies leave their private cars, and will be met by His Worship The Mayor and Mrs. Smith, Brigadier Stewart and Lieut.Col.H.Ballantyne.

Leave for City Hall.

10.45 a.m. Arrive City Hall. Inspection of Guard of Honour - The Scots Fusiliers of Canada, under command of Capt. Wm. Macklin.

Inspection of Boy Scouts and Girl Guides.

Official Reception on City Hall Steps; presentation of Address and Reply; presentation of flowers to Her Excellency.

His Excellency places wreath on Cenotaph in City Hall Square.

11.30 a.m. Reception in Council Chamber of City Hall. Representative citizens, Executives of Patriotic and Charitable organisations; Ex-Mayors, and others.

12.15 p.m. His Excellency leaves City Hall for Walper House, for Board of Trade-Civic luncheon, afterwards returning to the train.

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KITCHENER (CONTINUED)

Friday, May 29th:

12.15 p.m. Her Excellency leaves the City Hall for the Westmount Golf and Country Club, for I.O.D.E.- Women's Canadian Club luncheon. Miss B.M.Dunham, Authoress and Chief Librarian of the Kitchener Library, will present a book and bouquet to Her Excellency. After luncheon Her Excellency will return to the train.

3.15 p.m. His Excellency will leave the train to visit the Galloway Furniture Company, the Headquarters of the Canadian Legion, and the Headquarters of the Army and Navy Veterans; returning to the train at about 4.30 p.m.,

4.00 p.m. Her Excellency will have tea at the Freeport Sanatorium.

5.00 p.m. Her Excellency will receive the Executive of the Victorian Order of Nurses at the train.

5.15 p.m. Leave Kitchener for Kingston.

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PROGRAMME FOR KINGSTON (Daylight Saving Time)

Saturday, May 30th

9.30 a.m.	Their Excellencies will be received by His Worship The Mayor at the station. Presentation of Address and Reply.
10.15 a.m.	Their Excellencies arrive at the Royal Military College. Inspection of Battalion of Gentlemen Cadets by His Excellency, followed by Ceremonial March Past, and presentation of Medals.
10.45 a.m.	Their Excellencies receive the members of the Staff and their wives in the Officers' Mess.
11.15 a.m.	Gymnastic Display.
11.45 a.m.	Inspection of Buildings, Laboratories, etc.
1.00 p.m.	Their Excellencies lunch with the Commandant (Brigadier H.H.Matthews)
2.00 p.m.	Her Excellency leaves by train for Ottawa.
	After luncheon, His Excellency attends the R.M.C. Mounted Sports - leaving for Ottawa by motor-car later in the afternoon.

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PROGRAMME OF ARRANGEMENTS

for the

V I S I T

of

Their Excellencies the Governor-General and the
Lady Tweedsmuir

to

WINDSOR, CHATHAM, and WOODSTOCK,
Ontario.

MAY 1936

Composition of Party:

His Excellency the Governor-General
Her Excellency the Lady Tweedsmuir
Miss B.Spencer-Smith - Lady-in-Waiting
Mr. A.S.Redfern - Secretary to the Governor-General
Captain P.J.S.Boyle - Aide-de-Camp

All times - EASTERN STANDARD TIME

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RAILWAY SCHEDULE

					Standard Time.	
Lv.	Ottawa	Monday,	May	4th	10.45 p.m.	C.N.R.
Arr.	Toronto	Tuesday,	"	5th	7.00 a.m.	"
Lv.	"	"	"	5th	8.30 a.m.	"
Arr.	London	"	"	5th	11.45 a.m.	"
Lv.	"	"	"	5th	12.03 p.m.	"
Arr.	Windsor	"	"	5th	2.30 p.m.	"
Lv.	"	Wednesday,	"	6th	1.40 p.m.	"
Arr.	Chatham	"	"	6th	2.49 p.m.	"
Lv.	"	Thursday,	"	7th	10.40 a.m.	"
Arr.	London	"	"	7th	12.08 p.m.	"
Lv.	"	"	"	7th	12.20 p.m.	"
Arr.	Woodstock	"	"	7th	1.03 p.m.	"
Lv.	"	"	"	7th	7.55 p.m.	"
Arr.	Toronto	"	"	7th	10.15 p.m.	"
Lv.	"	"	"	7th	11.10 p.m.	"
Arr.	Ottawa	Friday,	"	8th	7.15 a.m.	"

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WINDSOR. Ontario, Population 65,000

Mayor ..... George Bennett
Senator ... Hon. G.La Casse, Tecumseh, Ont.
Fed. M.P. ..... N.A.McLarty (Lib) Windsor.
" " ..... Paul Martin " "
Prov. " ..... Hon. David Croll (Lib) "
" " ..... James H.Clark " "

Is the most central and the largest of the Municipalities known as "The Border Cities". The Ambassador Bridge, which crosses from Windsor to Detroit carries a vast stream of tourist and commercial traffic.

Many American industries have branch factories at Windsor.

CHATHAM, Ontario. "The City of Maples". Population 15,000

Mayor ..... W.D.Coldby
Senator .... Hon.G.La Casse
Fed. M.P..... J.Rutherford (Lib) Chatham.
Prov. M.P..... A.St.Clair Gordon (Lib) Wallaceburg

Chatham is on the River Thames, 43 miles East of Detroit; has communication with the Great Lakes; unlimited light and power from Niagara. There are upwards of 40 industries which include automobiles, wagons, textiles, bricks, malleable steel, carriages, flour, wool, lumber, sugar, furnaces , tobacco, A farming and fruit district.

WOODSTOCK, Ontario. Population 11,500

Mayor .....W.M.MacArthur
Fed.M.P.....A.S.Rennie (Lib) Tillsonburg.
Prov.M.P.....P.M.Dewan " Woodstock.

Woodstock, on the River Thames, is named after the town of the same name in England which adjoins Blenheim Park, the home of the Marlboroughs, is in Oxford County. In addition to being a substantial industrial centre, it is also one of the principal points in a highly productive dairying and general farming area. The industries of the City include the manufacture of pipe organs, furniture, textiles, stoves, wagons, silk stockings, automobile accessories, etc.

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C150296

PROGRAMME FOR WINDSOR

Tuesday, May 5th:

2.30 p.m.	Their Excellencies will be met on arrival at the station by His Worship The Mayor, Members of the City Council and Reception Committee.
2.45 p.m.	Inspection of Guard of Honour by His Excellency - Essex Scottish Regiment.
3.00 p.m.	Party leave for Jackson Park.
3.05 p.m.	Brief stop at Cenotaph, where His Excellency will deposit a wreath.
3.15 p.m.	Arrive Jackson Park, and proceed to South African Memorial. Laying of wreath.
3.25 p.m.	Leave South African Memorial for grandstand. Civic Reception, followed by programme of patriotic songs by the school children, under the direction of Mr. Whorlow Bull.
3.50 p.m.	Their Excellencies leave stand; inspection of War Veterans, Boy Scouts, Boys Brigade, Sea Cadets, School Cadets, and Windsor Drill Corps Cadets.
4.30 p.m.	Their Excellencies, escorted by the pipers of the Essex Scottish, proceed to space near sunken garden for Burns Memorial ceremonies, conducted by Scottish Societies.
4.45 p.m.	Their Excellencies leave Burns Memorial ceremonies, and re-enter their cars at Tecumseh Road.
4.55 p.m.	Their Excellencies arrive at the Armouries - inspection of Girl Guides.
5.15 p.m.	Their Excellencies proceed to the Officers Mess for tea with the Officer Commanding, The Essex Scottish Regiment, Officers and wives.
6.00 p.m.	Their Excellencies leave the Armouries for C.N.R. Depot.
9.00 p.m.	Their Excellencies leave C.N.R. Depot for Reception at Prince Edward Hotel.
10.30 p.m.	Their Excellencies return to their train.

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WINDSOR (CONTINUED)

Wednesday, May 6th:

10.00 a.m. Their Excellencies leave the C.N.R.Depot for a tour of the City - visits will be made to the plants of the Chrysler Corporation, the Ford Motor Company of Canada and Hiram Walker & Sons (Distillers).

1.40 p.m. Leave Windsor for Chatham.

If the weather is unfavourable, the Reception at Jackson Park will be held in either the Kennedy Collegiate or Patterson Collegiate.

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PROGRAMME FOR CHATHAM

Wednesday, May 6th.

2.49 p.m. Their Excellencies will be met on arrival by His Worship the Mayor, City Aldermen, and the Warden of Kent County, accompanied by their wives.

Presentation of Reception Committee to Their Excellencies.

Inspection of Guard of Honour by His Excellency - after the first six bars of "God Save the King" have been played.

3.15 p.m. Party will then proceed by motor-car to Tecumseh Park. En route, a short stop will be made at Memorial Square, where His Excellency will place a wreath on the Cenotaph. Members of the Canadian Legion will be present.

On arrival at Murray St. entrance to the Park, Their Excellencies will inspect the Boy Scouts and Girl Guides, afterwards proceeding to the Bandstand, where presentation of Address and Reply will take place. At the conclusion of the presentation, the Regent of the Municipal Chapter, I.O.D.E. will present flowers to Her Excellency. Their Excellencies will then sign the Kent Enlistment Record, after which His Excellency will present symbols of Merit to three Boy Scouts for bravery.

4.05 p.m. Party will then leave the bandstand and proceed to a suitable spot in the Park where His Excellency will plant a tree in commemoration of visit.

All school children will be paradedat Tecumseh Park. The Chatham Kiltie Concert and Regimental Band will be in attendance.

Party return to motor-cars for tour of inspection: Stops will be made at -

4.25 p.m. Children's Shelter
4.50 p.m. Plant of Libby, McNeil and Libby.
5.15 p.m. St. Joseph's Hospital, where Their Excellencies will be introduced to Dr. J.W.Rutherford, M.P. for Kent, who is confined to the Hospital after a motor accident.

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CHATHAM (CONTINUED)

Wednesday, May 6th:

5.35 p.m. Ursuline Academy. Cars will circle the driveway where the students will be assembled in charge of the Mother Superior.

6.00 p.m. Public General Hospital.

6.20 p.m. Party will proceed to Blenheim, arriving at the gateway to the new Memorial Park, where The Mayor of Blenheim will be presented to Their Excellencies. His Excellency will plant a tree in commemoration of the visit.

6.55 p.m. Party will proceed to Government Park, where the Superintendent of Rondeau Park will be presented to Their Excellencies.

7.25 p.m. Party will then circle a part of the virgin forest and return direct to Chatham via No. 3 Highway, Blenheim, Charing Cross; arriving C.N.R. Depot at approximately 8.20 p.m.

Thursday, May 7th:

10.30 a.m. The Mayor and Council of the City, and the Warden of Kent County will assemble at the station to bid farewell to Their Excellencies.

10.40 a.m. Leave Chatham.

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C150300

PROGRAMME FOR WOODSTOCK

Thursday, May 7th:

1.03 p.m. Their Excellencies will be met at the station by His Worship the Mayor, City Council, and representatives of Social Organisations and Civic Bodies.

Inspection of Guard of Honour by His Excellency- The Oxford Rifles.

1.30 p.m. Party leave station for Victoria Park.

On arrival at the Park, Their Excellencies will proceed to a special platform. "The Maple Leaf For Ever" will be sung by school children, etc.
Presentation of Address of Welcome.
Presentation of flowers to Her Excellency.
His Excellency replies to Address.
"O Canada" will be sung, and Their Excellencies then leave the platform for the Cenotaph, where His Excellency will place a wreath.

Presentation to His Excellency of the Presidents of the Canadian Legion and Army and Navy Veterans, and also the Scout Master; followed by inspection of Veterans and Scouts.

Party will then re-enter motor cars and proceed to to the Ontario Hospital.

On leaving the Ontario Hospital, Their Excellencies will separate, His Excellency, accompanied by the Mayor, will visit the following :-

LaFrance Textiles Ltd.,
The Court House.
The Public Library.
Southside Park.

Her Excellency, will visit the following:-

Victorian Order of Nurses Baby Clinic
Old St, Paul's Church
General Hospital

5.30 p.m. Their Excellencies meet at the Armouries, and at about 6.30 p.m. leave for a short scenic drive.

7.55 p.m. Leave Woodstock.

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C O P Y

Governor General's Speech at
Calgary, Sept. 3, 1936, re Defence.

C150301

Defence

Tweedsmuir, Right Honourable Baron, Governor General of Canada.

Calgary, September 3rd, 1936.

Montreal Gazette, Sept. 4, 1936.

There has been very little editorial comment in the English press on His Excellency's speech to the Alberta Military Institute, but the following excerpts will give the trend of editorial opinion:

Saskatoon Star Phoenix, Sept. 5th:

"In endeavouring to arouse public interest in such matters His Excellency is performing a

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valuable service.....and he is doing it with a suavity and finesse that leaves little room for taking offense. His Excellency leaves the problem with Canadians to work out; he does not undertake to tell them their duty".

Regina Star, Sept. 5th:

"By his words the Governor-General lifted this question out of the political arena. He viewed it in the light of a national and Empire problem".

Hamilton Spectator, Sept. 5th:

"Now that His Excellency has entered the controversy and described our needs and present shortcomings, it will no longer be possible to balk the issue. Canada as a self-respecting member of the British Commonwealth, who has been so insistent on asserting her self-reliance, must face the responsibilities involved".

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C150304

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A. W.

January 6th, 1937.

BELFAST BOND

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[redacted]

Governor General's Speech at
Calgary, Sept. 3, 1936, re Defence

COPY

Montreal Gazette.

C150305

TWEEDSMUIR LAUDS CANADIAN MILITIA

Refers to 'Patriotic Spirit and Efficiency'

Giving Feeling of Security.

Calgary, September 3: Canada, like Great Britain, must have a militia, not too large, but fully equipped and perfectly trained, said Baron Tweedsmuir, Governor-General of Canada, when speaking to members of the Alberta Military Institute here today.

'I take my hat off to the Canadian Militia,' said His Excellency. 'Their patriotic spirit and efficiency gives me a feeling of greater security concerning this land of ours.'

The Governor-General declared no civilized country could afford to be without a defence policy.

'No country today is safe from danger. No country can be isolated. Canada has to think out a policy of defence and take steps to implement it,' he said.

In stressing the necessity of Dominion defence, the Governor-General said:

'In peace times Canada and Britain were inclined to think of other things rather than defence. But neither Britain nor Canada could afford an inefficient and poorly equipped militia. The Dominion must have a militia, not too large but fully equipped and perfectly trained.'

Baron Tweedsmuir remarked it was his duty as Commander-in-Chief to interest himself in the matter.

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C150306

"

'The last war did not lead to perpetual peace as had been anticipated,' he added, and there was still a long way to travel to reach that goal. No country could afford to be without a defence policy.

He referred to the 'stupendous achievements' made by Canadians 'as the spearhead of the British army' in the Great War.

Earlier the Governor-General paid tribute to Calgary which, he said, 'gave me one of the biggest and best receptions I ever had.'

When the King's representative in Canada arrived here last night, more than 8,000 people were at the railway station to greet him. Among them were Mayor Andrew Davison, Lieut.-Gov. W. L. Walsh of Alberta and Sir Edward Beatty, president of the Canadian Pacific Railway.

'Lord Tweedsmuir took particular delight in the large number of ex-servicemen who turned out,' Mayor Davison reported.

A number of civic functions occupied Their Excellencies today, and tomorrow they will visit King Edward's 'E. P.' Ranch at Kekisko, 50 miles south of here.

"

Montreal Gazette, Sept. 4, 1936.

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Governor-General's Speech at Calgary, Sept. 3, 1936, re Defence. [redacted]

Defence

C150307

Tweedsmuir, Right Honourable Baron, Governor General of Canada.

Calgary, September 3rd, 1936.

Montreal Gazette, Sept. 4, 1936.

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"In endeavouring to arouse public interest in such matters His Excellency is performing a

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A. W.

January 6th, 1937.

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C150311

Defence

Tweedsmuir, Right Honourable Baron, Governor General of Canada.

Calgary, September 3rd, 1936.

Montreal Gazette, Sept. 4, 1936.

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C150314

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A. W.

January 6th, 1937.

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[redacted]

September 25th, 1936.

Precis of Recent Editorial Comment

C150315

Lord Tweedsmuir and the Defence of Canada - There is very little editorial comment in the English press on His Excellency's remarks, but the Calgary Albertan of September the 10th offers a mild rebuke in the following words: "Some may feel that in this utterance the Governor General has been over-stepping the mark". The Hamilton Spectator, on September the 5th, however, takes the opposite view and says that now that His Excellency has entered the controversy and described our needs and present shortcomings, it will no longer be possible to balk the issue. The Spectator also pooh poohs the idea that the Governor General's remarks could "cause a mild political sensation".

The French press, on the other hand, is very vigorous in its denunciation of the Governor General lending himself to what is described as "Imperialistic propaganda". Le Droit has two articles on the subject. That on September the 4th reviews the Elibank episode and the remarks of the Honourable B. S. B. Stevens, of Australia, concerning Imperial defence, and proceeds to attack the position taken by the Governor General as "Commander-in-Chief of the Canadian Forces". The Editor says, in fact, that the Governor General must think he is living in

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the times of General Colborne, when the Governor General was truly a Governor and truly a General. Now he is neither a Governor nor a General but "seulement le vice-roi du Canada". The editorial further points out that Canadians have no wish to raise a new constitutional issue of the sort which makes Lord Byng's name so painful a memory.

pg 21-23

On September the 9th, Le Devoir had a lengthy editorial, signed by Omer Heroux, on this subject and sub-headed "Respectful and Necessary Observations". This editorial refers to the Elibank incident, and goes on to say that it is necessary to point out that whatever solution the Governor General proposes, it is hardly the duty, nor is it the custom of a Governor General to busy himself as a propagandist for imperialism. It is further stated that the remarks of the Governor General have done one other thing - they have emphasized the point that we should have a Canadian Governor General. A native-born Canadian would not have risked embroiling himself in such a delicate subject. He has probably hastened the hour when, from top to bottom, "de la hierarchie politique chez nous" will be Canadians only.

pg 24

Following this editorial, Le Droit, on September the 10th, again returned to the subject, quoting extensively and

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approvingly from Le Devoir's views on the functions of the Governor General and his attitude towards Canadian questions, emphasizing the opinion that as Canada is no longer a colony, her complete autonomy should be respected. A Governor General should never, either consciously or unconsciously, allow any outside interest to interfere in his conception of Canada's needs.

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[redacted]

C150318

Ottawa,
October 25, 1936.

Memorandum for Mr. Measures:

The Prime Minister has asked me to indicate the following directions regarding the points raised in your recent memorandum, with respect to the installation of the Governor-General at Quebec:

(1) Reading of address at installation ceremony:

The Prime Minister will adhere to the 1926 procedure, i.e., he will not read an address. Mr. King has already given this intimation to Mr. Pereira.

(2) Luncheon:

The luncheon list as shown in Mr. Coleman's memorandum is approved. The local representatives of the Presbyterian, United and Baptist churches should be included.

(3) Departure of government special train from Quebec:

The train should leave Saturday night, arriving in Ottawa Sunday morning.

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(4) Broadcastings:

A broadcast may be arranged.

(5) The press:

Arrangements similar to those that obtained in 1931 should be followed. A delegation not exceeding eight from the Press Gallery should be invited to travel on the government train, and ~~should~~ to be present at the ceremony and luncheon.

Edward A. Pickering.

EAP/MC

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A. WALKER

JAN. 6. 1937

COPY

Governor General's Speech at Calgary, Sept. 3, 1936, re Defence.

Dept. Nat'l. Defence
Lord Tweedsmuir

C150320

Defence

Tweedsmuir, Right Honourable Baron, Governor General of Canada.

Calgary, September 3rd, 1936.

TWEEDSMUIR LAUDS CANADIAN MILITIA

Refers to 'Patriotic Spirit and Efficiency' Giving Feeling of Security

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"No country today is safe from danger. No country can be isolated. Canada has to think out a policy of defence and take steps to implement it," he said.

In stressing the necessity of Dominion defence, the Governor-General said:

"In peace times Canada and Britain were inclined to think of other things rather than defence. But neither Britain nor Canada could afford an inefficient and poorly equipped militia. The Dominion must have a militia, not too large but fully equipped and perfectly trained."

Baron Tweedsmuir remarked it was his duty as Commander-in-Chief to interest himself in the matter.

"The last war did not lead to perpetual peace as had been anticipated," he added, and there was still a long way to travel to reach that goal. No country could afford to be without a defence policy.

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C150322

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C150323

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A. W.

January 6th, 1937.

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[redacted]

EXTRACT FROM CLIPPING FROM THE WASHINGTON STAR OF APRIL 1, 1937.

Lord Tweedsmuir Visits Annapolis

Midshipmen Parade for Canadian Governor General on Final Day of Stay.

An inspection trip to the Naval Academy at Annapolis, Md., opened the final day's program today of the state visit of Lord Tweedsmuir, Governor General of Canada.

A parade of the regiment of midshipmen was arranged in his honor. Afterward, the King of England's personal representative in Canada agreed to deliver a brief address.

Lord Tweedsmuir told the midshipmen the British and American Navies are united in the same purpose - "the preservation of liberty and peace."

"Every addition to your Navy is an extra addition to the security of the world", he added.

Referring to what he termed the close friendship between the British and American sea services, he recalled that more than a century ago the two countries had "some very regretable difference of opinion."

"But whether we were antagonists or allies," he continued, "I think we always respected each other."

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Lord Tweedsmuir
S[redacted]

C150325

DOWN NORTH

I.

Itinerary

There is no dust on the little railway which runs for two hundred odd miles between Edmonton and Waterways. The train switch-backs through a flower garden of fire-weed, yarrow, golden rod and equisetum. At Lac la Biche one begins to feel the North, for there are Chipewyans as well as Crees around the station, and the inhabitants talk of the Lesser Slave Lake and Athabasca Landing as neighbouring places.

Waterways on the Clearwater is the true gate of the North, the end of steel and the beginning of the river service. A vast sweet-smelling warehouse is the base depot of the Hudson's Bay stores. It is a place of many varied activities, including a salt mine, and the tar sands from which the Abasand Company look for great things in the way of oil. The waters were low so we had to go down to the Clearwater in a barge and join "The Athabasca River" where the vast muddy Athabasca came in from the west. She is a sternwheeler of the type common on the Nile and the Mississippi, and her skipper, Captain Alexander, learned his trade among the shifting sands of the Yukon.

In the first part of the journey the Athabasca is like an elongated lake in a rather overwooded English park. It was a soft West Highland evening and we tied up about midnight. It was odd to wake in a steamer cabin and see from the window a branch of a tree on which sat a large hawk.

Next day we slipped down the Athabasca, the spruces giving place to black poplars, and these in turn to willows. We pushed two barges in front of us and I sat on the prow of the first - the most peaceful form of voyaging I have ever discovered. It was rather like sailing down an immense Cherwell. We scattered flocks of young mallard duck and a few teal, but on the whole trip bird life was pretty scarce. A few hawks, a bald-headed eagle, ducks, smoky terns, and gulls which they called the Franklin gull, but which looked like the greater blackback, are almost all that we saw, except the pelicans in Pelican Rapids on the Slave River.

Presently

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Presently the Athabasca became like the Oxus, a "foiled circuitous wandered", and we threaded our way through the narrow channels of the delta into the shallow waters of Lake Athabasca. We crossed it to Fort Chipewyan, a very pleasant place with rocky shores, a broad sandy beach and a multitude of little islands. Chief Jonas of the Chipewyans was an impressive figure - the only impressive Indian I met. It was here that Sir Alexander Mackenzie started on his two journeys to the Arctic and the Pacific, and Sir John Franklin on his first two journeys to the North.

After Chipewyan we entered the Slave River, which is really the Peace. The Peace is the principal stream of the Mackenzie, and, apart from its main channel, enters the west end of Lake Athabasca by two branches, the Quatre Fourches and the Revillon, where the current runs either way according to the weight of water in the Peace. Next morning we were at Fort Fitzgerald, where the rapids begin - the Cassette, the Pelican, the Mountain, and the Rapids of the Drowned. We drove the fifteen miles to Fort Smith through a country which had once been the scene of a big fire. The woods were white with caribou moss.

Fort Smith is an attractive settlement on the edge of the Wood Buffalo Preserve. There is an extraordinary cheerfulness among the people, which, indeed, is a trait common in the North. I saw good crops of wheat, oats and potatoes, and some superb gardens of delphiniums fifteen feet high. It is curious how the latest mechanical inventions, like the radio and the aeroplane, are used here not to complicate but to simplify life. There we embarked on another steamer, "The Distributor".

Next day going down the Slave an aeroplane from Edmonton brought us some mail. The North is becoming almost over-crowded, for we passed many aeroplanes and more than one Hudsons Bay boat. The Slave enters Great Slave Lake as the Oxus enters the Aral Sea, through many reedy channels and "matted rushy isles". We called at Fort Resolution, and then, with a following wind in the most perfect weather, crossed to Hay River. I had a walk there before breakfast and saw the kennels to which the Mounties' dogs are brought in for the summer. At one time the Anglican mission here included Eskimo children from the Arctic shores, but now there are mission stations and hospitals further down the river.

We were lucky enough to have a dead calm to cross the western end of Great Slave Lake; for a flat-bottomed boat the place is dangerous in rough weather.

We

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We were just in time, for a storm got up behind us which delayed the mail plane for several days.

At Fort Providence we were embarked on the Mackenzie River proper. There the Indian children of the mission (Hares and Slaves) gave me a quite good entertainment. I was much impressed by the Oblate Brothers here, one of whom had been badly wounded at Verdun in an infantry regiment which I knew all about.

In the afternoon we reached Fort Simpson, the most elaborate of the river stations after Fort Smith. There the Liard comes in from the mountains and its muddy current pollutes the Mackenzie which, from the Great Slave Lake, had been clear. My friend, Stan Macmillan the airman, had flown in from Harry Snyder's camp on the South Nahanni and wanted to fly me back to have a day after grizzly; but I did not like to break up the party.

The South Nahanni fascinates me, and I want to make a trip there with Harry Snyder before I leave Canada. There are three geographical mysteries in Canada. One is the Riviere de l'Enfer, far up in the Laurentides, which I hope to visit some day. Another is the strange tongue of forest land which runs north far up into the Barrens on the Thelon River. This has been more or less explored now since John Hornby and young Christian perished there. The third is the South Nahanni, which comes down from the mountains on the north bank of the Liard. It used to be a kind of no-man's-land over which the Yukon and the Mackenzie Indians fought. It is believed to be full of mineral wealth, but it is extraordinarily difficult to explore, for a boat is impossible since there is a fall of over three hundred feet high. In the last twenty years nine white men have gone into the valley and have not returned. Harry Snyder is exploring it by plane, and has established a camp far up it, where he has shot some wonderful specimens of mountain fauna, and discovered glaciers and snow-fields and peaks as big as anything in the Rockies. There may be some real geographical secret there waiting to be discovered.

We left Fort Simpson in a wonderful sunset, and during the night the Rocky Mountains came close to the left bank. This is the only part of the river where the scenery is really impressive. The air was steadily growing colder, and next day when we arrived at Fort Norman, at the junction of the Great Bear River, one felt the beginning of the Arctic. We all climbed Bear Rock and I managed to do the face for the first time. The rock was very unpleasant, being a kind of rotten limestone with the strata the wrong way.

From

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From the flat top we had a wonderful view, and it was curious to find the homely grass of Parnassus among strange plants like Labrador tea, the Indian paint bowl and queer lilies and orchises.

As we had to clean our boilers we did not start until next evening, after I had visited a burning coal seam on the river bank; it was burning when Mackenzie passed one hundred and fifty years ago; Next day there was a cold wind from the north. We passed through the Ramparts, which would be impressive if the river were not so wide. We stopped at Fort Good Hope, where the Catholic missions are doing fine work in agricultural experiments. That evening we crossed the Arctic circle and invented a ritual the same as crossing the Line. Santa Claus came aboard and admitted us into the sanctuary of the Arctic. Next day was very cold. We heard that the mail aeroplanes from the south were all held up by bad weather behind us; but we ourselves were several days ahead of our schedule. That night we passed Arctic Red River, and the following morning we were at Fort Macpherson on the Peel. It was near here that Fitzgerald's mounted patrol perished in the snow in their attempt to cross the divide to the Yukon. Their bodies are buried in the churchyard. Here I met one Firth, an Orcadian of eighty-seven, who had been a Hudson's Bay employee and had come out seventy years ago.

In the evening we reached Aklavik and had a party on board for the inhabitants. We spent two days there and I opened a new Anglican hospital and visited all the people. Aklavik seems to me a complete mistake. A settlement should be at the head of a delta or on the seashore, and not in the middle. One cannot imagine Calcutta built in the middle of the Sunderbunds or Cairo in the middle of the Nile delta. There is no fall and therefore no proper sanitation and the foreshore is foul. It is only the long antiseptic winters which prevent epidemics, and, indeed, they get epidemics, for there was one recently of typhoid among the Indians. It is a pity that the Catholic and Anglican churches have built such elaborate schools and hospitals, for sooner or later they will have to move.

At Aklavik the weather was really bad: a cold north wind and constant rain. The north-east wind had blown the ice to the west and made Herschel Island quite impossible. We could see a line of fog where it lay, as clean as if cut by a knife. Next day, since Herschel was out of the question and our planes had joined us, we flew to Tukta-Yatuk, the furthest northern post on the mainland, which is used as a depot for supplies for middle Arctic. I liked that place, for it has an open

clean

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clean shore, and one saw the real Eskimos of the North. It might have been a Scots moor, for in the foot or two of peat which covers the ice there were blaeberries, crowberries and cranberries.

Going back we flew low over Richards' Island and saw the 4,500 odd reindeer which have been brought from Alaska after a three years trek, in order to encourage the Eskimo to be a herdsman as well as a hunter. Then the weather worsened. We lost our way and in the end made a quite difficult landing.

Next day, August 4th, we started back in tolerable weather. Very soon rain and mist overtook us and we had to fly close to the river to get our direction. We fueled at Fort Good Hope and reached Fort Norman in the afternoon, where we were forced down. We spent the evening there at a Hudson's Bay post and kicked our heels all next morning, for the weather reports from the direction of Great Bear Lake were bad, In the afternoon the weather improved and we made a rather bold take-off from a very stormy river. But in twenty miles we were in perfect June weather, and all the way to the other side of Bear Lake we were swimming in sunshine.

That night we put up at the El Dorado mine with Harry Snyder and a delightful company. I had a hut to myself perched high on a rocky knoll, with a blazing fire to keep me company. The following morning I spent going over the mine, which is the chief radium producer in the world. In the afternoon we flew far into the Barren Lands to a river called the Camsell, where I got my first Arctic grayling. I fished in the Great Bear Lake in the evening, but could do nothing with the lake trout. The following day, the weather being quite perfect, we flew north to the upper waters of the Coppermine and then down that river to Coronation Gulf. The weather was so fine that we flew right over the ocean up to the edge of the pack ice - an experience I never thought would be mine. Then we went on board the Mounties' steamer "San Roch", which had just rescued the survivors from the Hudson's Bay steamer "Fort James", which had been sunk that morning by the ice. In the afternoon we flew far into the Barrens and fished in a lake where no one, I am sure, had ever cast a fly before. I had hopes of a chance of a Barrens grizzly, but the only thing we saw was caribou, which we stalked, and Gordon got a good bull. We had a wonderful luncheon off steaks cooked in the open, and got back late in what was almost bright daylight.

Next day the weather was more precarious, but we started early and flew due south from Great Bear to Fort Rae. Then we turned east into the Barrens to a place called Gordon's Lake, where they have just made a

most

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most interesting gold discovery. From there we had a long flight in precarious weather to Fort Smith, where we spent the night. This was really the end of cur tour proper, for the following day we flew back the course we had come by steamer, turning up the Athabasca after Waterways and finishing with a sixty mile "dry hop" to Cooking Lake, twenty miles from Edmonton. I do not think that anybody has ever covered so much varied country in so short a time. Roughly we did two thousand miles by steamer and well over three thousand by air.

II.

The Land.

There is little obvious beauty in the North. In The Return of the Native Thomas Hardy wrote, "It is a question if the exclusive reigh of orthodox beauty is not approaching its last quarter. The new Vale of Tempe may be a gaunt waste in Thule". I expected the gaunt waste, to the charms of which I am always predisposed, but in the Mackenzie valley I did not find it. Aldous Huxley somewhere asks whether the Wordsworthian peace and healing-power of Nature could be found in a lush tropical forest where Nature is cruel and fantastic. I think there would be the same difficulty in the North. Wordsworthiean Nature should have a certain reticence, cleanness and simplicity, and be built more or less on the human scale. The North is altogether beyond the human scale and it has no cleanness and simplicity. I expected bleak moors and cold ice-grey waters. Instead I found a kind of coarse lushness - immense rivers pouring billions of dirty gallons to the ocean, too much coarse vegetation, an infinity of mud, and everywhere a superfluity of obscene insect life. The impression was not of a Nature beautiful and austere, though cold and hard, but of a Nature as coarsely exuberant as a tropical forest. The delta below Aklavik has vegetation as rank as the delta of the Zambesi. The streams are as thick with mud as the Limpopo. I took a Wordsworth with me and found him perfectly unsuitable. My impression was of a monstrous superfluity of rank vegetation and mud. It was only in the miraculous sunsets that any grace or magic entered into the landscape.

The delta of the Mackenzie is a sight I shall never forget. I understand it is the largest in the world, and it is certainly the most sinister place I have ever seen. I saw it under mist and cold winds,

but

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but a bright sun would make no difference to it. It is one vast quagmire - muskeg on a colossal scale. Three main channels pierce it, and between them there is an infinity of what look like carefully engineered canals of a mathematical regularity. Between the canals are oily mud-holes and lawn-like stretches of an unwholesome green, into which whole armies could disappear. God help the man who gets lost in it. I understand that even the Eskimos have difficulty in picking their way through it. It reminded me of nothing so much as the no-man's-land between the trenches in the War - but a colossal no-man's land created in some campaign of demons - pitted and pocked with shell-holes from some infernal artillery. Looking down on it from the air at first glance one might be looking at surburban Surrey - broad tarmac highways, lines of newly planted fir trees, and behaind them the smooth lawns of sume surburban householder. It is only at the second look that one realizes that the highways are channels of yellow mud and that the green lawns are bottomless swamps.

The Arctic coast was different. There among clear half-lights and half-tones one had a wonderful feeling of space and peace. Great Bear Lake, too, with its immeasurable deep blue waters and its rocky shores, like the West Highlands, gave one the proper feeling of the clean antiseptic North. But I think the most wonderful impression I had was flying over the Barrens on a cloudy day. The cloud shadows in these infinite plains, in constant motion, made a beautiful fantastic world. It was all out of scale with humanity; but it is a good thing now and then if you manage to realize that the world was not created on your own scale. It sharpens the adventure of living.

III.

The People

The white population consists of Mounted Police, employees of the Hudson's Bay Company and the Northern Traders, a few independent trappers and fur traders, the Catholic and Anglican missionaries, the Signals officials, and the administrative officers of the Territories. I was greatly struck by the efficiency of both the Hudson's Bay and Northern Traders representatives. Their heart is in their work and there seemed to be no misfits. The Police, I need hardly say, were as good as possible. Among the independent

traders

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traders and trappers I found some wonderful old-timers who had grown into the land and were as much part of it as the native inhabitants. The Catholic missions seemed to me exceedingly well run. A brotherhood is the right mechanism for such work, and the Oblate priests and lay brothers are the kind of people suited for a wild country: strong, purposeful, capable of turning their hand to any job, and with their hearts in their work. I was not so happy about the Anglican posts along the river. At Aklavik the Bishop of the Arctic has an excellent organization and very competent helpers, both male and female; but in some of the river posts I found melancholy little Anglican parsons with anaemic wives, desperately homesick, and with no particular capacity, whose duties seemed to be confined to reading the church services on Sunday to a sprinkling of Indians. I feel that the right missionary for the north is a medical missionary, for such will always have plenty of work to do.

Wherever I went I had conferences with the local chiefs, beginning with the Chipewyans and going through the Dog Ribs, the Yellow Knives, the Slaves, the Hares or Rabbit-skins to the Loucheux ("slanting eyes"). These northern Indians are physically of a much inferior type to the Indians of the plains, and some of them, such as the Hares and the Dog Ribs, are clearly degenerate. The Chipewyans were, on the whole, the best, but I thought the Loucheux intelligent. Their grievances were very small, innocent things - a father would like his son to be allowed to accompany him to the beaver hunts; the relief of the destitute was sometimes too small, and so forth. But there was one perpetual demand - for better medical attendance. Medical services indeed are very patchy. There is a good Catholic hospital at Fort Smith; but there is nothing after that until Aklavik, where the hospital provision is ample, but not very accessible to the remoter tribes. We brought down a sick Eskimo woman from Coronation Gulf who had to go as far as Fort Smith for treatment. I feel very strongly that efforts should be made to put the whole medical services on a different basis. The Indian agent is usually a doctor, and I wonder if it is wise to mix up administrative and medical duties. The latter often get obscured by the former. What is needed, I think, is a greater number of small hospital units situated in the proper places, so that a district can really be served. A doctor should have some reasonable means of transport to cover his area, and this should be, if possible, an aeroplane. Some of the Indian agents and doctors were excellent, but not all, and I had a good many complaints of lack of attention, which I believe to be well justified. It seems to me that the North

should

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should have a picked service, both medical and administrative, to which only the right kind of man is appointed, and not, as occasionally seems to happen, a discard from some other part of the country. The representative of the Crown feels a special responsibility in this matter, for the original treaties were made in the name of Queen Victoria, and the Indians are in a special degree the wards of the Crown.

Tuberculosis is rife among the different Indian tribes and this is largely due to under-nourishment. Under-nourishment in turn comes from the failure of their hunting and trapping. This failure is partly seasonal and inevitable; but we must be very careful to see that it is not due to the intrusion of the white trapper. I am strongly in favour of the policy of increasing the area of the Indian trapping reserves and making them wholly exclusive. This is just as important in the interests of the great natural asset of the land, the furs, as of the Indian people, for the Indian is a natural conserver and will never over-trap, whereas a white man, especially with the assistance of the aeroplane, will trap a long line without regard to the future, since he can always shift his venue. This point was strongly impressed upon me by everyone I met in the North who had given any thought to the question.

The Eskimos are altogether a finer race than the Indians, both physically and mentally. They seem to be more able to take what is best in white civilisation and leave out what is bad. But they, too, are beginning to suffer from tuberculosis, due to their change in housing and dietetic conditions. Our responsibility for them is different from our responsibility to the Indian, for they have no treaty rights. Economically they are fairly comfortable, and our obligation to them, I think, is chiefly to provide reasonable medical facilities. They are an attractive people who look you straight in the face, and are always laughing, and they have an extraordinary talent for mechanics. Some do very well. I met an Eskimo family from remote Victoria Land who possessed a schooner in admirable order and clean as a new pin, for which they had given 24,000 dollars. The northern Indians, I feel, will always be a responsibility rather than an asset, but I think the Eskimos, if properly handled, will be a really valuable element in the development of the North. They understand the techniques of life there as no one else does.

A word should be said about the half-breeds, who seem to me of a far higher type than the ordinary Metis. They have all the merits of the white man added to the traditional lore of the Indian. They are upstanding, straightforward folk, who look you frankly

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in the face and have excellent manners. Most of them are the offspring of the old Hudson's Bay employees brought from Scotland and the Orkney Islands, and most of them have Scots names, a few Irish, and very few English. When an old Hudson's Bay factor was asked for the reason for this scarcity of English names he replied that the Indians had to draw the line somewhere.

There is an immense friendliness in the North. It is a true democracy, for there are no distinctions of classes. The trapper is on the same social level as the Hudson's Bay post-master, or the police sergeant. Everybody is known by his Christian name, and they are all ready to help each other. A man will take enormous pains to get a neighbour out of a difficulty, even though he may not be a particular friend of his. In the face of a harsh Nature human beings seem to have acquired a keener sense of responsibility towards each other. I cannot imagine a more pleasant or wholesome society.

lV.

The Economics of the North

Canada still has a physical frontier, which the United States no longer possess, and that frontier is in the north. There is a line beyond which her possessions are imperfectly known or not known at all. I believe these possessions to be very great and that in the north will lie the main area of her future development.

To enumerate her assets.- First there are the furs, of which the Canadian North must remain one of the chief producing grounds in the world. In spite of fur farms in more temperate climes I do not believe that the value of the northern furs is likely to decline. It is extremely important, both for the sake of the native population and for the future prosperity of Canada that the fur-bearing animals should be wisely protected. This means, as I have said, that the white trappers should be strictly limited in number. It means, too, that a careful watch should be kept over the production of the different furs in the different areas. Furs go in cycles, depending largely upon the number of rabbits (which are the ultimate food of most fur-bearing animals), and there should be some protection during the bottom of the cycles. When a fur, such as marten, is getting scarce in a particular area that area should be temporarily closed.

Happily

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Happily there is ample knowledge in the north on which to base a wise fur policy.

Next for the lesser assets. - Timber is of no particular value except for local uses. In the far north it is brought for building purposes from British Columbia. Along the river banks it provides the fuel for the stern-wheelers, and these banks are consequently being rapidly cleared; but it is probable that sternwheelers will soon be run on oil. It will remain a valuable fuel, and sufficient for the simpler purposes of construction.

Something might be done with the fisheries. There is a ready market in the States for fresh-water fish, and most of the lakes have enormous quantities of white fish, and, further north, of trout, and what is called salmon trout (that is the Arctic char), At present, owing to the difficulties of transport, it is only the southern lakes which are properly exploited. If fishing ever became a serious industry some attention would have to be given to stocking and re-stocking. There is such an immense amount of water in the north that the possibilities of fresh-water fisheries are limited only by transport costs and the American market.

Every year the area in which agricultural crops can be satisfactorily harvested is being pushed further north. At present one may say that the agricultural and pastoral possibilities stop with the Peace River. I believe that the valley of the Hay River has great agricultural value, and the same is true of the Upper Liard. The latter, indeed, as it approaches the hills, is an ideal ranching country and only requires greater transport facilities to be profitable. The amazing Arctic summer, with its double allowance of sunlight, makes it possible to have excellenct vegetable gardens well inside the Arctic circle, which is an addition to the amenities of life.

The great asset of the North, of course, is its minerals, of which we have only scratched the surface. The Laurentian Shield runs pretty well from the Hudson's Bay to the east bank of the Mackenzie. At present, owing to the cost of transport, only the more precious metals can be profitably mined. Examples are the El Dorado silver and radium mines, and the new gold mining activities on the Yellow-knife River, at Gordon Lake, and Goldfields at Lake Athabasca. No man can say what developments there are in store in the future, but the indications are that they will be very great. As for base metals, there are indications of a great wealth of copper right up to the Arctic shores. But indeed it is idle to speculate. All we can say is that the whole of the Canadian Barrens are probably a vast treasure house.

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Development depends wholly upon transport. This will depend partly on river steamers, but principally I think upon the air. At present air transport is expensive, and the future of the North depends upon its cheapness. This again depends upon the local development of oil. I am inclined to think that there is a great future for oil in the Abasand and Bitumont areas near MacMurray, and the Imperial Oil Wells north of Fort Norman are already producing for local consumption. If the oil-bearing capacities of the North can be developed there is no reason why air transport should not be greatly reduced in price. There is no country in the world where, owing to the innumerable waterways, it is safer both in summer and winter. In any case it looks as if the North would be of supreme importance in the air, since, if the Atlantic air services are established, the European mails for China and Japan will go down the Mackenzie.

My conclusion, therefore, is that the future of the North depends chiefly upon the air. If cheap air services could be established everywhere not only would the economic assets be rapidly developed, but the dwellers would be brought into close touch with the great centres and their lives thereby made more confortable, and the medical care of the population would be enormously facilitated.

The vision I have of the future of the North is of a large number of smallish industrial centres, in close touch with civilisation by radio and the air. The winter climate on the whole is much milder than in the Prairies. Such centres would have all the decent appurtenances of civilisation in the shape of frequent mails, a properly varied food supply, and medical attention. Heavy plant and heavy ores would go in and out by water, but the main form of transport would be the air. The work of the Signals in providing meteorological information is already excellent, and with proper meteorological advice flying in the North can be probably made safer and more regular than anywhere else in the world. But this future depends upon a chain of hypotheses, the most important being the cheapening of local oil fields. The North is not an easy problem for Canada, but it offers a wonderful chance. She has already a fine performance to her credit - just as fine as the much-vaunted Russian development of northern Siberia - and though there is still much to do she starts with two great advantages; the assets are there, and she can produce the right kind of men to develop them.

1st September, 1937.

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HIS EXCELLENCY'S MOVEMENTS (SUMMER-AUTUMN), 1937

May 7th to 11th.	At Echo Beach, P.Q.
May 18th.	Leave Ottawa for Western Ontario
May 19th.	At Galt, Ont.(Visiting from there Brantford on the 20th and Guelph on the 21st.
May 21st.	Leave Galt for Toronto
May 22nd.	At Toronto
May 23rd to 24th.	At Gananoque
May 25th.	Morning - At Montreal
May 25th.	Evening - Arrive Quebec (Take up residence at The Citadel)
June 7th.	Leave Quebec for the Maritimes.
	At Halifax, June 8th At Fredericton, June 9th and 10th At Saint John, June 11th, 12th and 13th.
June 14th.	Arrive Quebec from the Maritimes
June 15th.	Leave Quebec (night) for Montreal and Kingston.
June 16th.	At Montreal
June 17th.	At Kingston
June 18th.	Arrive Quebec from Kingston
June 22nd.	Leave Quebec for Ottawa and Montreal
June 23rd.	At Ottawa
June 24th.	At Montreal
June 25th.	Arrive Quebec from Montreal
June 26th ~~and~~ 29th.	At Grand Metis, P.Q.
July 3rd.	Leave Quebec for the West
July 5th.	At Kenora, Ont.
July 6th.	At Winnipeg, Man.
July 9th to 12th.	At Calgary, Alta.
July 12th/13th.	At Drumheller, Alta.
July 14th.	At Red Deer, Alta.
July 20th (about)	At Edmonton, Alta.
July 21st.	At Waterways, leaving same day for Aklavik, returning to Edmonton about August 12th.
August 14th.	At Burns Lake, B.C. (Trek through Tweedsmuir Park)
August 26th.	At Bella Coola, B.C. leave same day by boat for Prince Rupert.

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August 29th.	Arrive Prince Rupert in evening
August 30th.	Leave Prince Rupert about 6.00 p.m. for the East.
September 3rd/4th.	At Fort William, Ont. leaving by boat at Noon on the 4th for Port McNicoll.
September 6th.	At Toronto
September 7th.	Arrive Ottawa

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DEPT. OF EXTERNAL AFFAIRS C150339

Mr Henry

Mr King said

last night it would be quite

satisfactory to mimeograph this.

I suppose your office can do

the stencils & Chancellor can run them off.

Ottawa, Sept 5 1939

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Written by Lord Tweedsmuir regarding
his Western Trip in 1937.

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DOWN NORTH.

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DOWN NORTH.

I.

Itinerary,

There is no dust on the little railway which runs for two hundred odd miles between Edmonton and Waterways. The train switch-backs through a flower garden of fire-weed, yarrow, golden rod and equisetum. At Lac la Biche one begins to feel the North, for there are Chipewyans as well as Crees around the station, and the inhabitants talk of the Lesser Slave Lake and Athabasca Landing as neighbouring places.

Waterways on the Clearwater is the true gate of the North, the end of steel and the beginning of the river service. A vast sweet-smelling warehouse is the base depot of the Hudson's Bay stores. It is a place of many varied activities, including a salt mine, and the tar sands from which the Abasand Company look for great things in the way of oil. The waters were low so we had to go down the Clearwater in a barge and join "The Athabasca River" where the vast muddy Athabasca came in from the west. She is a sternwheeler of the type common on the Nile and the Mississippi, and her skipper, Captain Alexander, learned his trade among the shifting sands of the Yukon.

In the first part of the journey the Athabasca is like an elongated lake in a rather over-wooded English park. It was a soft West Highland evening and we tied up about midnight. It was odd to wake in a steamer cabin and see from the window a branch of a tree

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on which sat a large hawk.

Next day we slipped down the Athabasca, the spruces giving place to black poplars, and these in turn to willows. We pushed two barges in front of us and I sat in the prow of the first - the most peaceful form of voyaging I have ever discovered. It was rather like sailing down an immense Cherwell. We scattered flocks of young mallard duck and a few teal, but on the whole trip bird life was pretty scarce. A few hawks, a bald-headed eagle, ducks, smoky terns, and gulls which they called the Franklin gull, but which looked like the greater blackback, are almost all that we saw, except the pelicans in Pelican Rapids on the Slave River.

Presently the Athabasca became like the Oxus, a "foiled circuitous wanderer", and we threaded our way through the narrow channels of the delta into the shallow waters of Lake Athabasca. We crossed it to Fort Chipewyan, a very pleasant place with rocky shores, a broad sandy beach and a multitude of little islands. Chief Jonas of the Chipewyans was an impressive figure - the only impressive Indian I met. It was here that Sir Alexander Mackenzie started on his two journeys to the Arctic and the Pacific, and Sir John Franklin on his first two journeys to the North.

After Chipewyan we entered the Slave River, which is really the Peace. The Peace is the principal stream of the Mackenzie, and, apart from its main channel, enters the west end of Lake Athabasca by two branches, the Quatre Fourches and the Revillon, where the current runs either way according to the weight of water in the Peace. Next morning we were at Fort Fitzgerald, where the rapids begin - the Cassette, the Pelican, the Mountain, and the

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Rapids of the Drowned. We drove the fifteen miles to Fort Smith through a country which had once been the scene of a big fire. The woods were white with caribou moss.

Fort smith is an attractive settlement on the edge of the Wood Buffalo Preserve. There is an extraordinary cheerfulness among the people, which, indeed, is a trait common in the North. I saw good crops of wheat, oats and potatoes, and some superb gardens of delphiniums fifteen feet high. It is curious how the latest mechanical inventions, like the radio and the aeroplane, are used here not to complicate but to simplify life. There we embarked on another steamer, "The Distributor".

Next day going down the Slave an aeroplane from Edmonton brought us some mail. The North is becoming almost over-crowded, for we passed many aeroplanes and more than one Hudsons Bay boat. The Slave enters Great Slave Lake as the Oxus enters the Aral Sea, through many reedy channels and "matted rushy isles". We called at Fort Resolution, and then, with a following wind in the most perfect weather, crossed to Hay River. I had a walk there before breakfast and saw the kennels to which the Mounties' dogs are brought in for the summer. At one time the Anglican mission here included Eskimo children from the Arctic shores, but now there are mission stations and hospitals further down the river.

We were lucky enough to have a dead calm to cross the western end of Great Slave Lake; for a flat-bottomed boat the place is dangerous in rough weather. We were just in time, for a storm got up behind us which delayed the mail plane for several days.

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At Fort Providence we were embarked on the Mackenzie River proper. There the Indian children of the mission (Hares and Slaves) gave me a quite good entertainment. I was much impressed by the Oblate Brothers here, one of whom had been badly wounded at Verdun in an infantry regiment which I knew all about.

In the afternoon we reached Fort Simpson, the most elaborate of the river stations after Fort Smith. There the Liard comes in from the mountains and its muddy current pollutes the Mackenzie, which, from the Great Slave Lake, had been clear. My friend, Stan Macmillan the airman, had flown in from Harry Snyder's camp on the South Nahanni and wanted to fly me back to have a day after grizzly; but I did not like to break up the party.

The South Nahanni fascinates me, and I want to make a trip there with Harry Snyder before I leave Canada. There are three geographical mysteries in Canada. One is the Riviere de l'Enfer, far up in the Laurentides, which I hope to visit some day. Another is the strange tongue of forest land which runs north far up into the Barrens on the Thelon River. This has been more or less explored now since John Hornby and young Christian perished there. The third is the South Nahanni, which comes down from the mountains on the north bank of the Liard. It used to be a kind of no-man's-land over which the Yukon and the Mackenzie Indians fought. It is believed to be full of mineral wealth, but it is extraordinarily difficult to explore, for a boat is impossible since there is a fall of over three hundred feet high. In the last twenty years nine white men have gone into the valley and have not returned. Harry Snyder is exploring it

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by plane, and has established a camp far up it, where he has shot some wonderful specimens of mountain fauna, and discovered glaciers and snow-fields and peaks as big as anything in the Rockies. There may be some real geographical secret there waiting to be discovered.

We left Fort Simpson in a wonderful sunset, and during the night the Rocky Mountains came close to the left bank. This is the only part of the river where the scenery is really impressive. The air was steadily growing colder, and next day when we arrived at Fort Norman, at the junction of the Great Bear River, one felt the beginning of the Arctic. We all climbed Bear Rock and I managed to do the face for the first time. The rock was very unpleasant, being a kind of rotten limestone with the strata the wrong way. From the flat top we had a wonderful view, and it was curious to find the homely grass of Parnassus among strange plants like Labrador tea, the Indian paint bowl and queer lilies and orchises.

As we had to clean our boilers we did not start until next evening, after I had visited a burning coal seam on the river bank; it was burning when Mackenzie passed one hundred and fifty years ago! Next day there was a cold wind from the north. We passed through the Ramparts, which would be impressive if the river were not so wide. We stopped at Fort Good Hope, where the Catholic missions are doing fine work in agricultural experiments. That evening we crossed the Arctic circle and invented a ritual the same as crossing the Line. Santa Claus came aboard and admitted us into the sanctuary of the Arctic. Next day was very cold. We heard that the mail aeroplanes from the south were all held up by bad weather behind us; but we our-

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selves were several days ahead of our schedule. That night we passed Arctic Red River, and the following morning we were at Fort Macpherson on the Peel. It was near here that Fitzgerald's mounted patrol perished in the snow in their attempt to cross the divide to the Yukon. Their bodies are buried in the churchyard. Here I met one Firth, an Orcadian of eighty-seven, who had been a Hudson's Bay employee and had come out seventy years ago!

In the evening we reached Aklavik and had a party on board for the inhabitants. We spent two days there and I opened a new Anglican hospital and visited all the people. Aklavik seems to me a complete mistake. A settlement should be at the head of a delta or on the seashore, and not in the middle. One cannot imagine Calcutta built in the middle of the Sunderbunds or Cairo in the middle of the Nile delta. There is no fall and therefore no proper sanitation, and the foreshore is foul. It is only the long antiseptic winters which prevent epidemics, and, indeed, they get epidemics, for there was one recently of typhoid among the Indians. It is a pity that the Catholic and Anglican churches have built such elaborate schools and hospitals, for sooner or later they will have to move.

At Aklavik the weather was really bad: a cold north wind and constant rain. The north-east wind had blown the ice to the west and made Herschel Island quite impossible. We could see a line of fog where it lay, as clean as if cut by a knife. Next day, since Herschel was out of the question and our planes had joined us, we flew to Tukta-Yatuk, the furthest northern post on the mainland, which is used as a depot for supplies for the middle Arctic. I liked

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that place, for it has an open clean shore, and one saw the real Eskimos of the north. It might have been a Scots moor, for in the foot or two of peat which covers the ice there were blaeberries, crowberries and cranberries.

Going back we flew low over Richards' Island and saw the 4,500 odd reindeer which have been brought from Alaska after a three years trek, in order to encourage the Eskimo to be a herdsman as well as a hunter. Then the weather worsened. We lost our way and in the end made a quite difficult landing.

Next day, August 4th, we started back in tolerable weather. Very soon rain and mist overtook us and we had to fly close to the river to get our direction. We fueled at Fort Good Hope and reached Fort Norman in the afternoon, where we were forced down. We spent the evening there at a Hudson's Bay post and kicked our heels all next morning, for the weather reports from the direction of Great Bear Lake were bad. In the afternoon the weather improved and we made a rather bold take-off from a very stormy river. But in twenty miles we were in perfect June weather, and all the way to the other side of Bear Lake we were swimming in sunshine.

That night we put up at the El Dorado mine with Harry Snyder and a delightful company. I had a hut to myself perched high on a rocky knoll, with a blazing fire to keep me company. The following morning I spent going over the mine, which is the chief radium producer in the world. In the afternoon we flew far into the Barren Lands to a river called the Camsell, where I got my first Arctic grayling. I fished in the Great Bear Lake in the evening, but

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could do nothing with the lake trout. The following day, the weather being quite perfect, we flew north to the upper waters of the Coppermine and then down that river to Coronation Gulf. The weather was so fine that we flew right over the ocean up to the edge of the pack ice - an experience I never thought would be mine. Then we went on board the Mounties' steamer "San Roch", which had just rescued the survivors from the Hudson's Bay steamer "Fort James", which had been sunk that morning by the ice. In the afternoon we flew far into the Barrens and fished in a lake where no one, I am sure, has ever cast a fly before. I had hopes of a chance of a Barrens grizzly, but the only thing we saw was caribou, which we stalked, and Gordon got a good bull. We had a wonderful luncheon off steaks cooked in the open, and got back late in what was almost bright daylight.

Next day the weather was more precarious, but we started early and flew due south from Great Bear to Fort Rae. Then we turned east into the Barrens to a place called Gordon's Lake, where they have just made a most interesting gold discovery. From there we had a long flight in precarious weather to Fort Smith, where we spent the night. This was really the end of our tour proper, for the following day we flew back the course we had come by steamer, turning up the Athabasca after Waterways and finishing with a sixty mile "dry hop" to Cooking Lake, twenty miles from Edmonton. I do not think that anybody has ever covered so much varied country in so short a time. Roughly we did two thousand miles by steamer and well over three thousand by air.

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II.

The Land.

There is little obvious beauty in the North. In The Return of the Native Thomas Hardy wrote, "It is a question if the exclusive reign of orthodox beauty is not approaching its last quarter. The new Vale of Tempe may be a gaunt waste in Thule." I expected the gaunt waste, to the charms of which I am always predisposed, but in the Mackenzie valley I did not find it. Aldous Huxley somewhere asks whether the Wordsworthian peace and healing-power of Nature could be found in a lush tropical forest where Nature is cruel and fantastic. I think there would be the same difficulty in the North. Wordsworthian Nature should have a certain reticence, cleanness and simplicity, and be built more or less on the human scale. The North is altogether beyond the human scale and it has no cleanness and simplicity. I expected bleak moors and cold ice-grey waters. Instead I found a kind of coarse lushness - immense rivers pouring billions of dirty gallons to the ocean, too much coarse vegetation, an infinity of mud, and everywhere a superfluity of obscene insect life. The impression was not of a Nature beautiful and austere, though cold and hard, but of a Nature as coarsely exuberant as a tropical forest. The delta below Aklavik has vegetation as rank as the delta of the Zambesi. The streams are as thick with mud as the Limpopo. I took a Wordsworth with me and found him perfectly unsuitable. My impression was of a monstrous superfluity of rank vegetation and mud. It was only in the miraculous sunsets that any grace or magic entered into the landscape.

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The delta of the Mackenzie is a sight I shall never forget. I understand it is the largest in the world, and it is certainly the most sinister place I have ever seen. I saw it under mist and cold winds, but a bright sun would make no difference to it. It is one vast quagmire - muskeg on a colossal scale. Three main channels pierce it, and between them there is an infinity of what look like carefully engineered canals of a mathematical regularity. Between the canals are oily mud-holes and lawn-like stretches of an unwholesome green, into which whole armies could disappear. God help the man who gets lost in it! I understand that even the Eskimos have difficulty in picking their way through it. It reminded me of nothing so much as the no-man's-land between the trenches in the War - but a colossal no-man's-land created in some campaign of demons - pitted and pocked with shell-holes from some infernal artillery. Looking down on it from the air at first glance one might be looking at surburban Surrey - broad tarmac highways, lines of newly planted fir trees, and behind them the smooth lawns of some surburban householder. It is only at the second look that one realises that the highways are channels of yellow mud and that the green lawns are bottomless swamps.

The Arctic coast was different. There among clear half-lights and half-tones one had a wonderful feeling of space and peace. Great Bear Lake, too, with its immeasurable deep blue waters and its rocky shores, like the West Highlands, gave one the proper feeling of the clean antiseptic North. But I think the most wonderful impression I had was flying over the Barrens on a cloudy day. The

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cloud shadows in these infinite plains, in constant motion, made a beautiful fantastic world. It was all out of scale with humanity; but it is a good thing now and then if you manage to realise that the world was not created on your own scale. It sharpens the adventure of living.

III.

The People.

The white population consists of Mounted Police, employees of the Hudson's Bay Company and the Northern Traders, a few independent trappers and fur traders, the Catholic and Anglican missionaries, the Signals officials, and the administrative officers of the Territories. I was greatly struck by the efficiency of both the Hudson's Bay and Northern Traders representatives. Their heart is in their work and there seemed to be no misfits. The Police, I need hardly say, were as good as possible. Among the independent traders and trappers I found some wonderful old-timers who had grown into the land and were as much part of it as the native inhabitants. The Catholic missions seemed to me exceedingly well run. A brotherhood is the right mechanism for such work, and the Oblate priests and lay brothers are the kind of people suited for a wild country: strong, purposeful, capable of turning their hand to any job, and with their hearts in their work. I was not so happy about the Anglican posts along the river. At Aklavik the Bishop of the Arctic has an excellent organisation and very competent helpers, both male and female; but in some of the river posts I found melancholy little Anglican parsons with anaemic wives, desperately homesick, and with no partic-

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ular capacity, whose duties seemed to be confined to reading the church services on Sunday to a sprinkling of Indians. I feel that the right missionary for the north is a medical missionary, for such will always have plenty of work to do.

Wherever I went I had conferences with the local chiefs, beginning with the Chipewyans and going through the Dog Ribs, the Yellow Knives, the Slaves, the Hares or Rabbit-skins to the Loucheux ("slanting eyes"). These northern Indians are physically of a much inferior type to the Indians of the plains, and some of them, such as the Hares and the Dog Ribs, are clearly degenerate. The Chipewyans were, on the whole, the best, but I thought the Loucheux intelligent. Their grievances were very small, innocent things - a father would like his son to be allowed to accompany him to the beaver hunts; the relief of the destitute was sometimes too small, and so forth. But there was one perpetual demand - for better medical attendance. Medical services indeed are very patchy. There is a good Catholic hospital at Fort Smith; but there is nothing after that until Aklavik, where the hospital provision is ample, but not very accessible to the remoter tribes. We brought down a sick Eskimo woman from Coronation Gulf who had to go as far as Fort Smith for treatment. I feel very strongly that efforts should be made to put the whole medical services on a different basis. The Indian agent is usually a doctor, and I wonder if it is wise to mix up administrative and medical duties. The latter often get obscured by the former. What is needed, I think, is a greater number of small hospital units situated in the proper places, so that a district can

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really be served. A doctor should have some reasonable means of transport to cover his area, and this should be, if possible, an aeroplane. Some of the Indian agents and doctors were excellent, but not all, and I had a good many complaints of lack of attention, which I believe to be well justified. It seems to me that the North should have a picked service, both medical and administrative, to which only the right kind of man is appointed, and not, as occasionally seems to happen, a discard from some other part of the country. The representative of the Crown feels a special responsibility in this matter, for the original treaties were made in the name of Queen Victoria, and the Indians are in a special degree the wards of the Crown.

Tuberculosis is rife among the different Indian tribes and this is largely due to under-nourishment. Under-nourishment in turn comes from the failure of their hunting and trapping. This failure is partly seasonal and inevitable; but we must be very careful to see that it is not due to the intrusion of the white trapper. I am strongly in favour of the policy of increasing the area of the Indian trapping reserves and making them wholly exclusive. This is just as important in the interests of the great natural asset of the land, the furs, as of the Indian people, for the Indian is a natural conserver and will never over-trap, whereas a white man, especially with the assistance of the aeroplane, will trap a long line without regard to the future, since he can always shift his venue. This point was strongly impressed upon me by everyone I met in the North who had given any thought to the question.

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The Eskimos are altogether a finer race than the Indians, both physically and mentally. They seem to be more able to take what is best in white civilisation and leave out what is bad. But they, too, are beginning to suffer from tuberculosis, due to their change in housing and dietetic conditions. Our responsibility for them is different from our responsibility to the Indians, for they have no treaty rights. Economically they are fairly comfortable, and our obligation to them, I think, is chiefly to provide reasonable medical facilities. They are an attractive people who look you straight in the face, and are always laughing, and they have an extraordinary talent for mechanics. Some do very well. I met an Eskimo family from remote Victoria Land who possessed a schooner in admirable order and clean as a new pin, for which they had given 24,000 dollars. The northern Indians, I feel, will always be a responsibility rather than an asset, but I think the Eskimos, if properly handled, will be a really valuable element in the development of the North. They understand the technique of life there as no one else does.

A word should be said about the half-breeds, who seem to me of a far higher type than the ordinary Metis. They have all the merits of the white man added to the traditional lore of the Indian. They are upstanding, straightforward folk, who look you frankly in the face and have excellent manners. Most of them are the offspring of the old Hudson's Bay employees brought from Scotland and the Orkney Islands, and most of them have Scots names, a few Irish, and very few English. When an old Hudson's Bay factor was asked the reason for this scarcity of English names he replied that the Indians had

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to draw the line somewhere!

There is an immense friendliness in the North. It is a true democracy, for there are no distinctions of classes. The trapper is on the same social level as the Hudson's Bay post-master, or the police sergeant. Everybody is known by his Christian name, and they are all ready to help each other. A man will take enormous pains to get a neighbour out of a difficulty, even though he may not be a particular friend of his. In the face of a harsh Nature human beings seem to have acquired a keener sense of responsibility towards each other. I cannot imagine a more pleasant or wholesome society.

IV.

The Economics of the North.

Canada still has a physical frontier, which the United States no longer possess, and that frontier is in the north. There is a line beyond which her possessions are imperfectly known or not known at all. I believe these possessions to be very great and that in the north will lie the main area of her future development.

To enumerate her assets. - First there are the furs, of which the Canadian North must remain one of the chief producing grounds in the world. In spite of fur farms in more temperate climes I do not believe that the value of the northern furs is likely to decline. It is extremely important, both for the sake of the native population and for the future prosperity of Canada that the fur-bearing animals should be wisely protected. This means, as I have said, that the white trappers should be strictly limited in number. It means, too, that a careful watch should be kept over the production

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of the different furs in the different areas. Furs go in cycles, depending largely upon the number of rabbits (which are the ultimate food of most fur-bearing animals), and there should be some protection during the bottom of the cycles. When a fur, such as marten, is getting scarce in a particular area that area should be temporarily closed. Happily there is ample knowledge in the north on which to base a wise fur policy.

Next for the lesser assets. - Timber is of no particular value except for local uses. In the far north it is brought for building purposes from British Columbia. Along the river banks it provides the fuel for the sternwheelers, and these banks are consequently being rapidly cleared; but it is probable that sternwheelers will soon be run on oil. It will remain a valuable fuel, and sufficient for the simpler purposes of construction.

Something might be done with the fisheries. There is a ready market in the States for fresh-water fish, and most of the lakes have enormous quantities of white fish, and, further north, of trout, and what is called salmon trout (that is the Arctic char). At present, owing to the difficulties of transport, it is only the southern lakes which are properly exploited. If fishing ever became a serious industry some attention would have to be given to stocking and re-stocking. There is such an immense amount of water in the north that the possibilities of fresh-water fisheries are limited only by transport costs and the American market.

Every year the area in which agricultural crops can be satisfactorily harvested is being pushed further north. At present

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one may say that the agricultural and pastoral possibilities stop with the Peace River. I believe that the valley of the Hay River has great agricultural value, and the same is true of the Upper Liard. The latter, indeed, as it approaches the hills, is an ideal ranching country and only requires greater transport facilities to be pfofitable. The amazing Arctic summer, with its double allowance of sunlight, makes it possible to have excellent vegetable gardens well inside the Arctic circle, which is an addition to the amenities of life.

The great asset of the North, of course, is its minerals, of which we have only scratched the surface. The Laurentian Shield runs pretty well from the Hudson's Bay to the east bank of the Mackenzie. At present, owing to the cost of transport, only the more precious metals can be profitably mined. Examples are the El Dorado silver and radium mines, and the new gold mining activities on the Yellow-knife River, at Gordon Lake, and Goldfields at Lake Athabasca. No man can say what developments there are in store in the future, but the indications are that they will be very great. As for base metals, there are indications of a great wealth of copper right up to the Arctic shores. But indeed it is idle to speculate. All we can say is that the whole of the Canadian Barrens are probably a vast treasure house.

Development depends wholly upon transport. This will depend partly on river steamers, but principally I think upon the air. At present air transport is expensive, and the future of the North depends upon its cheapness. This again depends upon the local devel-

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opment of oil. I am inclined to think that there is a great future for oil in the Abasand and Bitumont areas near MacMurray, and the Imperial Oil Wells north of Fort Norman are already producing for local consumption. If the oil-bearing capacities of the North can be developed there is no reason why air transport should not be greatly reduced in price. There is no country in the world where, owing to the innumerable waterways, it is safer both in summer and winter. In any case it looks as if the North would be of supreme importance in the air, since, if the Atlantic air services are established, the European mails for China and Japan will go down the Mackenzie.

My conclusion, therefore, is that the future of the North depends chiefly upon the air. If cheap air services could be established everywhere not only would the economic assets be rapidly developed, but the dwellers would be brought into close touch with the great centres and their lives thereby made more comfortable, and the medical care of the population would be enormously facilitated.

The vision I have of the future of the North is of a large number of smallish industrial centres, in close touch with civilisation by radio and the air. The winter climate on the whole is much milder than in the Prairies. Such centres would have all the decent appurtenances of civilisation in the shape of frequent mails, a properly varied food supply, and medical attention. Heavy plant and heavy ores would go in and out by water, but the main form of transport would be the air. The work of the Signals in providing meteorological information is already excellent, and with proper

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meteorological advice flying in the North can be probably made safer and more regular than anywhere else in the world. But this future depends upon a chain of hypotheses, the most important being the cheapening of local oil fields. The North is not an easy problem for Canada, but it offers a wonderful chance. She has already a fine performance to her credit - just as fine as the much-vaunted Russian development of northern Siberia - and though there is still much to do she starts with two great advantages; the assets are there, and she can produce the right kind of men to develop them.

1st September, 1937.

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MEMORANDUM

Office of the Prime Minister [redacted]

Ottawa, September 18th, 1937.

Miss Z:

To be fyled at Laurier House - mimeographed copies of Lord Tweedsmuir's itinerary of his trip North.

R.

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DOWN NORTH

I.

Itinerary

There is no dust on the little railway which runs for two hundred odd miles between Edmonton and Waterways. The train switch-backs through a flower garden of fire-weed, yarrow, golden rod and equisetum. At Lac la Biche one begins to feel the North, for there are Chipewyans as well as Crees around the station, and the inhabitants talk of the Lesser Slave Lake and Athabasca Landing as neighbouring places.

Waterways on the Clearwater is the true gate of the North, the end of steel and the beginning of the river service. A vast sweet-smelling warehouse is the base depot of the Hudson's Bay stores. It is a place of many varied activities, including a salt mine, and the tar sands from which the Abasand Company look for great things in the way of oil. The waters were low so we had to go down to the Clearwater in a barge and join "The Athabasca River" where the vast muddy Athabasca came in from the west. She is a sternwheeler of the type common on the Nile and the Mississippi, and her skipper, Captain Alexander, learned his trade among the shifting sands of the Yukon.

In the first part of the journey the Athabasca is like an elongated lake in a rather overwooded English park. It was a soft West Highland evening and we tied up about midnight. It was odd to wake in a steamer cabin and see from the window a branch of a tree on which sat a large hawk.

Next day we slipped down the Athabasca, the spruces giving place to black poplars, and these in turn to willows. We pushed two barges in front of us and I sat on the prow of the first - the most peaceful form of voyaging I have ever discovered. It was rather like sailing down an immense Cherwell. We scattered flocks of young mallard duck and a few teal, but on the whole trip bird life was pretty scarce. A few hawks, a bald-headed eagle, ducks, smoky terns, and gulls which they called the Franklin gull, but which looked like the greater blackback, are almost all that we saw, except the pelicans in Pelican Rapids on the Slave River.

Presently

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Presently the Athabasca became like the Oxus, a "foiled circuitous wandered", and we threaded our way through the narrow channels of the delta into the shallow waters of Lake Athabasca. We crossed it to Fort Chipewyan, a very pleasant place with rocky shores, a broad sandy beach and a multitude of little islands. Chief Jonas of the Chipewyans was an impressive figure - the only impressive Indian I met. It was here that Sir Alexander Mackenzie started on his two journeys to the Arctic and the Pacific, and Sir John Franklin on his first two journeys to the North.

After Chipewyan we entered the Slave River, which is really the Peace. The Peace is the principal stream of the Mackenzie, and, apart from its main channel, enters the west end of Lake Athabasca by two branches, the Quatre Fourches and the Revillon, where the current runs either way according to the weight of water in the Peace. Next morning we were at Fort Fitzgerald, where the rapids begin - the Cassette, the Pelican, the Mountain, and the Rapids of the Drowned. We drove the fifteen miles to Fort Smith through a country which had once been the scene of a big fire. The woods were white with caribou moss.

Fort Smith is an attractive settlement on the edge of the Wood Buffalo Preserve. There is an extraordinary cheerfulness among the people, which, indeed, is a trait common in the North. I saw good crops of wheat, oats and potatoes, and some superb gardens of delphiniums fifteen feet high. It is curious how the latest mechanical inventions, like the radio and the aeroplane, are used here not to complicate but to simplify life. There we embarked on another steamer, "The Distributor".

Next day going down the Slave an aeroplane from Edmonton brought us some mail. The North is becoming almost over-crowded, for we passed many aeroplanes and more than one Hudsons Bay boat. The Slave enters Great Slave Lake as the Oxus enters the Aral Sea, through many reedy channels and "matted rushy isles". We called at Fort Resolution, and then, with a following wind in the most perfect weather, crossed to Hay River. I had a walk there before breakfast and saw the kennels to which the Mounties' dogs are brought in for the summer. At one time the Anglican mission here included Eskimo children from the Arctic shores, but now there are mission stations and hospitals further down the river.

We were lucky enough to have a dead calm to cross the western end of Great Slave Lake; for a flat-bottomed boat the place is dangerous in rough weather.

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We were just in time, for a storm got up behind us which delayed the mail plane for several days.

At Fort Providence we were embarked on the Mackenzie River proper. There the Indian children of the mission (Hares and Slaves) gave me a quite good entertainment. I was much impressed by the Oblate Brothers here, one of whom had been badly wounded at Verdun in an infantry regiment which I knew all about.

In the afternoon we reached Fort Simpson, the most elaborate of the river stations after Fort Smith. There the Liard comes in from the mountains and its muddy current pollutes the Mackenzie which, from the Great Slave Lake, had been clear. My friend, Stan Macmillan the airman, had flown in from Harry Snyder's camp on the South Nahanni and wanted to fly me back to have a day after grizzly; but I did not like to break up the party.

The South Nahanni fascinates me, and I want to make a trip there with Harry Snyder before I leave Canada. There are three geographical mysteries in Canada. One is the Riviere de l'Enfer, far up in the Laurentides, which I hope to visit some day. Another is the strange tongue of forest land which runs north far up into the Barrens on the Thelon River. This has been more or less explored now since John Hornby and young Christian perished there. The third is the South Nahanni, which comes down from the mountains on the north bank of the Liard. It used to be a kind of no-man's-land over which the Yukon and the Mackenzie Indians fought. It is believed to be full of mineral wealth, but it is extraordinarily difficult to explore, for a boat is impossible since there is a fall of over three hundred feet high. In the last twenty years nine white men have gone into the valley and have not returned. Harry Snyder is exploring it by plane, and has established a camp far up it, where he has shot some wonderful specimens of mountain fauna, and discovered glaciers and snow-fields and peaks as big as anything in the Rockies. There may be some real geographical secret there waiting to be discovered.

We left Fort Simpson in a wonderful sunset, and during the night the Rocky Mountains came close to the left bank. This is the only part of the river where the scenery is really impressive. The air was steadily growing colder, and next day when we arrived at Fort Norman, at the junction of the Great Bear River, one felt the beginning of the Arctic. We all climbed Bear Rock and I managed to do the face for the first time. The rock was very unpleasant, being a kind of rotten limestone with the strata the wrong way.

From

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From the flat top we had a wonderful view, and it was curious to find the homely grass of Parnassus among strange plants like Labrador tea, the Indian paint bowl and queer lilies and orchises.

As we had to clean our boilers we did not start until next evening, after I had visited a burning coal seam on the river bank; it was burning when Mackenzie passed one hundred and fifty years ago; Next day there was a cold wind from the north. We passed through the Ramparts, which would be impressive if the river were not so wide. We stopped at Fort Good Hope, where the Catholic missions are doing fine work in agricultural experiments. That evening we crossed the Arctic circle and invented a ritual the same as crossing the Line. Santa Claus came aboard and admitted us into the sanctuary of the Arctic. Next day was very cold. We heard that the mail aeroplanes from the south were all held up by bad weather behind us; but we ourselves were several days ahead of our schedule. That night we passed Arctic Red River, and the following morning we were at Fort Macpherson on the Peel. It was near here that Fitzgerald's mounted patrol perished in the snow in their attempt to cross the divide to the Yukon. Their bodies are buried in the churchyard. Here I met one Firth, an Orcadian of eighty-seven, who had been a Hudson's Bay employee and had come out seventy years ago.

In the evening we reached Aklavik and had a party on board for the inhabitants. We spent two days there and I opened a new Anglican hospital and visited all the people. Aklavik seems to me a complete mistake. A settlement should be at the head of a delta or on the seashore, and not in the middle. One cannot imagine Calcutta built in the middle of the Sunderbunds or Cairo in the middle of the Nile delta. There is no fall and therefore no proper sanitation and the foreshore is foul. It is only the long antiseptic winters which prevent epidemics, and, indeed, they get epidemics, for there was one recently of typhoid among the Indians. It is a pity that the Catholic and Anglican churches have built such elaborate schools and hospitals, for sooner or later they will have to move.

At Aklavik the weather was really bad: a cold north wind and constant rain. The north-east wind had blown the ice to the west and made Herschel Island quite impossible. We could see a line of fog where it lay, as clean as if cut by a knife. Next day, since Herschel was out of the question and our planes had joined us, we flew to Tukta-Yatuk, the furthest northern post on the mainland, which is used as a depot for supplies for middle Arctic. I liked that place, for it has an open

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clean shore, and one saw the real Eskimos of the North. It might have been a Scots moor, for in the foot or two of peat which covers the ice there were blaeberries, crowberries and cranberries.

Going back we flew low over Richards' Island and saw the 4,500 odd reindeer which have been brought from Alaska after a three years trek, in order to encourage the Eskimo to be a herdsman as well as a hunter. Then the weather worsened. We lost our way and in the end made a quite difficult landing.

Next day, August 4th, we started back in tolerable weather. Very soon rain and mist overtook us and we had to fly close to the river to get our direction. We fueled at Fort Good Hope and reached Fort Norman in the afternoon, where we were forced down. We spent the evening there at a Hudson's Bay post and kicked our heels all next morning, for the weather reports from the direction of Great Bear Lake were bad. In the afternoon the weather improved and we made a rather bold take-off from a very stormy river. But in twenty miles we were in perfect June weather, and all the way to the other side of Bear Lake we were swimming in sunshine.

That night we put up at the El Dorado mine with Harry Snyder and a delightful company. I had a hut to myself perched high on a rocky knoll, with a blazing fire to keep me company. The following morning I spent going over the mine, which is the chief radium producer in the world. In the afternoon we flew far into the Barren Lands to a river called the Camsell, where I got my first Arctic grayling. I fished in the Great Bear Lake in the evening, but could do nothing with the lake trout. The following day, the weather being quite perfect, we flew north to the upper waters of the Coppermine and then down that river to Coronation Gulf. The weather was so fine that we flew right over the ocean up to the edge of the pack ice - an experience I never thought would be mine. Then we went on board the Mounties' steamer "San Roch", which had just rescued the survivors from the Hudson's Bay steamer "Fort James", which had been sunk that morning by the ice. In the afternoon we flew far into the Barrens and fished in a lake where no one, I am sure, had ever cast a fly before. I had hopes of a chance of a Barrens grizzly, but the only thing we saw was caribou, which we stalked, and Gordon got a good bull. We had a wonderful luncheon off steaks cooked in the open, and got back late in what was almost bright daylight.

Next day the weather was more precarious, but we started early and flew due south from Great Bear to Fort Rae. Then we turned east into the Barrens to a place called Gordon's Lake, where they have just made a

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most interesting gold discovery. From there we had a long flight in precarious weather to Fort Smith, where we spent the night. This was really the end of our tour proper, for the following day we flew back the course we had come by steamer, turning up the Athabasca after Waterways and finishing with a sixty mile "dry hop" to Cooking Lake, twenty miles from Edmonton. I do not think that anybody has ever covered so much varied country in so short a time. Roughly we did two thousand miles by steamer and well over three thousand by air.

II.

The Land.

There is little obvious beauty in the North. In The Return of the Native Thomas Hardy wrote, "It is a question if the exclusive reigh of orthodox beauty is not approaching its last quarter. The new Vale of Tempe may be a gaunt waste in Thule". I expected the gaunt waste, to the charms of which I am always predisposed, but in the Mackenzie valley I did not find it. Aldous Huxley somewhere asks whether the Wordsworthian peace and healing-power of Nature could be found in a lush tropical forest where Nature is cruel and fantastic. I think there would be the same difficulty in the North. Wordsworthiean Nature should have a certain reticence, cleanness and simplicity, and be built more or less on the human scale. The North is altogether beyond the human scale and it has no cleanness and simplicity. I expected bleak moors and cold ice-grey waters. Instead I found a kind of coarse lushness - immense rivers pouring billions of dirty gallons to the ocean, too much coarse vegetation, an infinity of mud, and everywhere a superfluity of obscene insect life. The impression was not of a Nature beautiful and austere, though cold and hard, but of a Nature as coarsely exuberant as a tropical forest. The delta below Aklavik has vegetation as rank as the delta of the Zambesi. The streams are as thick with mud as the Limpopo. I took a Wordsworth with me and found him perfectly unsuitable. My impression was of a monstrous superfluity of rank vegetation and mud. It was only in the miraculous sunsets that any grace or magic entered into the landscape.

The delta of the Mackenzie is a sight I shall never forget. I understand it is the largest in the world, and it is certainly the most sinister place I have ever seen. I saw it under mist and cold winds,

but

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but a bright sun would make no difference to it. It is one vast quagmire - muskeg on a colossal scale. Three main channels pierce it, and between them there is an infinity of what look like carefully engineered canals of a mathematical regularity. Between the canals are oily mud-holes and lawn-like stretches of an unwholesome green, into which whole armies could disappear. God help the man who gets lost in it. I understand that even the Eskimos have difficulty in picking their way through it. It reminded me of nothing so much as the no-man's-land between the trenches in the War - but a colossal no-man's land created in some campaign of demons - pitted and pocked with shell-holes from some infernal artillery. Looking down on it from the air at first glance one might be looking at surburban Surrey - broad tarmac highways, lines of newly planted fir trees, and behaind them the smooth lawns of sume surburban householder. It is only at the second look that one realizes that the highways are channels of yellow mud and that the green lawns are bottomless swamps.

The Arctic coast was different. There among clear half-lights and half-tones one had a wonderful feeling of space and peace. Great Bear Lake, too, with its immeasurable deep blue waters and its rocky shores, like the West Highlands, gave one the proper feeling of the clean antiseptic North. But I think the most wonderful impression I had was flying over the Barrens on a cloudy day. The cloud shadows in these infinite plains, in constant motion, made a beautiful fantastic world. It was all out of scale with humanity; but it is a good thing now and then if you manage to realize that the world was not created on your own scale. It sharpens the adventure of living.

III.

The People

The white population consists of Mounted Police, employees of the Hudson's Bay Company and the Northern Traders, a few independent trappers and fur traders, the Catholic and Anglican missionaries, the Signals officials, and the administrative officers of the Territories. I was greatly struck by the efficiency of both the Hudson's Bay and Northern Traders representatives. Their heart is in their work and there seemed to be no misfits. The Police, I need hardly say, were as good as possible. Among the independent

traders

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traders and trappers I found some wonderful old-timers who had grown into the land and were as much part of it as the native inhabitants. The Catholic missions seemed to me exceedingly well run. A brotherhood is the right mechanism for such work, and the Oblate priests and lay brothers are the kind of people suited for a wild country: strong, purposeful, capable of turning their hand to any job, and with their hearts in their work. I was not so happy about the Anglican posts along the river. At Aklavik the Bishop of the Arctic has an excellent organization and very competent helpers, both male and female; but in some of the river posts I found melancholy little Anglican parsons with anaemic wives, desperately homesick, and with no particular capacity, whose duties seemed to be confined to reading the church services on Sunday to a sprinkling of Indians. I feel that the right missionary for the north is a medical missionary, for such will always have plenty of work to do.

Wherever I went I had conferences with the local chiefs, beginning with the Chipewyans and going through the Dog Ribs, the Yellow Knives, the Slaves, the Hares or Rabbit-skins to the Loucheux ("slanting eyes"). These northern Indians are physically of a much inferior type to the Indians of the plains, and some of them, such as the Hares and the Dog Ribs, are clearly degenerate. The Chipewyans were, on the whole, the best, but I thought the Loucheux intelligent. Their grievances were very small, innocent things - a father would like his son to be allowed to accompany him to the beaver hunts; the relief of the destitute was sometimes too small, and so forth. But there was one perpetual demand - for better medical attendance. Medical services indeed are very patchy. There is a good Catholic hospital at Fort Smith; but there is nothing after that until Aklavik, where the hospital provision is ample, but not very accessible to the remoter tribes. We brought down a sick Eskimo woman from Coronation Gulf who had to go as far as Fort Smith for treatment. I feel very strongly that efforts should be made to put the whole medical services on a different basis. The Indian agent is usually a doctor, and I wonder if it is wise to mix up administrative and medical duties. The latter often get obscured by the former. What is needed, I think, is a greater number of small hospital units situated in the proper places, so that a district can really be served. A doctor should have some reasonable means of transport to cover his area, and this should be, if possible, an aeroplane. Some of the Indian agents and doctors were excellent, but not all, and I had a good many complaints of lack of attention, which I believe to be well justified. It seems to me that the North

should

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should have a picked service, both medical and administrative, to which only the right kind of man is appointed, and not, as occasionally seems to happen, a discard from some other part of the country. The representative of the Crown feels a special responsibility in this matter, for the original treaties were made in the name of Queen Victoria, and the Indians are in a special degree the wards of the Crown.

Tuberculosis is rife among the different Indian tribes and this is largely due to under-nourishment. Under-nourishment in turn comes from the failure of their hunting and trapping. This failure is partly seasonal and inevitable; but we must be very careful to see that it is not due to the intrusion of the white trapper. I am strongly in favour of the policy of increasing the area of the Indian trapping reserves and making them wholly exclusive. This is just as important in the interests of the great natural asset of the land, the furs, as of the Indian people, for the Indian is a natural conserver and will never over-trap, whereas a white man, especially with the assistance of the aeroplane, will trap a long line without regard to the future, since he can always shift his venue. This point was strongly impressed upon me by everyone I met in the North who had given any thought to the question.

The Eskimos are altogether a finer race than the Indians, both physically and mentally. They seem to be more able to take what is best in white civilisation and leave out what is bad. But they, too, are beginning to suffer from tuberculosis, due to their change in housing and dietetic conditions. Our responsibility for them is different from our responsibility to the Indian, for they have no treaty rights. Economically they are fairly comfortable, and our obligation to them, I think, is chiefly to provide reasonable medical facilities. They are an attractive people who look you straight in the face, and are always laughing, and they have an extraordinary talent for mechanics. Some do very well. I met an Eskimo family from remote Victoria Land who possessed a schooner in admirable order and clean as a new pin, for which they had given 24,000 dollars. The northern Indians, I feel, will always be a responsibility rather than an asset, but I think the Eskimos, if properly handled, will be a really valuable element in the development of the North. They understand the techniques of life there as no one else does.

A word should be said about the half-breeds, who seem to me of a far higher type than the ordinary Metis. They have all the merits of the white man added to the traditional lore of the Indian. They are upstanding, straightforward folk, who look you frankly

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in the face and have excellent manners. Most of them are the offspring of the old Hudson's Bay employees brought from Scotland and the Orkney Islands, and most of them have Scots names, a few Irish, and very few English. When an old Hudson's Bay factor was asked for the reason for this scarcity of English names he replied that the Indians had to draw the line somewhere.

There is an immense friendliness in the North. It is a true democracy, for there are no distinctions of classes. The trapper is on the same social level as the Hudson's Bay post-master, or the police sergeant. Everybody is known by his Christian name, and they are all ready to help each other. A man will take enormous pains to get a neighbour out of a difficulty, even though he may not be a particular friend of his. In the face of a harsh Nature human beings seem to have acquired a keener sense of responsibility towards each other. I cannot imagine a more pleasant or wholesome society.

lV.

The Economics of the North

Canada still has a physical frontier, which the United States no longer possess, and that frontier is in the north. There is a line beyond which her possessions are imperfectly known or not known at all. I believe these possessions to be very great and that in the north will lie the main area of her future development.

To enumerate her assets.- First there are the furs, of which the Canadian North must remain one of the chief producing grounds in the world. In spite of fur farms in more temperate climes I do not believe that the value of the northern furs is likely to decline. It is extremely important, both for the sake of the native population and for the future prosperity of Canada that the fur-bearing animals should be wisely protected. This means, as I have said, that the white trappers should be strictly limited in number. It means, too, that a careful watch should be kept over the production of the different furs in the different areas. Furs go in cycles, depending largely upon the number of rabbits (which are the ultimate food of most fur-bearing animals), and there should be some protection during the bottom of the cycles. When a fur, such as marten, is getting scarce in a particular area that area should be temporarily closed.

Happily

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Happily there is ample knowledge in the north on which to base a wise fur policy.

Next for the lesser assets. - Timber is of no particular value except for local uses. In the far north it is brought for building purposes from British Columbia. Along the river banks it provides the fuel for the stern-wheelers, and these banks are consequently being rapidly cleared; but it is probable that sternwheelers will soon be run on oil. It will remain a valuable fuel, and sufficient for the simpler purposes of construction.

Something might be done with the fisheries. There is a ready market in the States for fresh-water fish, and most of the lakes have enormous quantities of white fish, and, further north, of trout, and what is called salmon trout (that is the Arctic char), At present, owing to the difficulties of transport, it is only the southern lakes which are properly exploited. If fishing ever became a serious industry some attention would have to be given to stocking and re-stocking. There is such an immense amount of water in the north that the possibilities of fresh-water fisheries are limited only by transport costs and the American market.

Every year the area in which agricultural crops can be satisfactorily harvested is being pushed further north. At present one may say that the agricultural and pastoral possibilities stop with the Peace River. I believe that the valley of the Hay River has great agricultural value, and the same is true of the Upper Liard. The latter, indeed, as it approaches the hills, is an ideal ranching country and only requires greater transport facilities to be profitable. The amazing Arctic summer, with its double allowance of sunlight, makes it possible to have excellenct vegetable gardens well inside the Arctic circle, which is an addition to the amenities of life.

The great asset of the North, of course, is its minerals, of which we have only scratched the surface. The Laurentian Shield runs pretty well from the Hudson's Bay to the east bank of the Mackenzie. At present, owing to the cost of transport, only the more precious metals can be profitably mined. Examples are the El Dorado silver and radium mines, and the new gold mining activities on the Yellow-knife River, at Gordon Lake, and Goldfields at Lake Athabasca. No man can say what developments there are in store in the future, but the indications are that they will be very great. As for base metals, there are indications of a great wealth of copper right up to the Arctic shores. But indeed it is idle to speculate. All we can say is that the whole of the Canadian Barrens are probably a vast treasure house.

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Development depends wholly upon transport. This will depend partly on river steamers, but principally I think upon the air. At present air transport is expensive, and the future of the North depends upon its cheapness. This again depends upon the local development of oil. I am inclined to think that there is a great future for oil in the Abasand and Bitumont areas near MacMurray, and the Imperial Oil Wells north of Fort Norman are already producing for local consumption. If the oil-bearing capacities of the North can be developed there is no reason why air transport should not be greatly reduced in price. There is no country in the world where, owing to the innumerable waterways, it is safer both in summer and winter. In any case it looks as if the North would be of supreme importance in the air, since, if the Atlantic air services are established, the European mails for China and Japan will go down the Mackenzie.

My conclusion, therefore, is that the future of the North depends chiefly upon the air. If cheap air services could be established everywhere not only would the economic assets be rapidly developed, but the dwellers would be brought into close touch with the great centres and their lives thereby made more confortable, and the medical care of the population would be enormously facilitated.

The vision I have of the future of the North is of a large number of smallish industrial centres, in close touch with civilisation by radio and the air. The winter climate on the whole is much milder than in the Prairies. Such centres would have all the decent appurtenances of civilisation in the shape of frequent mails, a properly varied food supply, and medical attention. Heavy plant and heavy ores would go in and out by water, but the main form of transport would be the air. The work of the Signals in providing meteorological information is already excellent, and with proper meteorological advice flying in the North can be probably made safer and more regular than anywhere else in the world. But this future depends upon a chain of hypotheses, the most important being the cheapening of local oil fields. The North is not an easy problem for Canada, but it offers a wonderful chance. She has already a fine performance to her credit - just as fine as the much-vaunted Russian development of northern Siberia - and though there is still much to do she starts with two great advantages; the assets are there, and she can produce the right kind of men to develop them.

1st September, 1937.

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Itinerary

There is no dust on the little railway which runs for two hundred odd miles between Edmonton and Waterways. The train switch-backs through a flower garden of fire-weed, yarrow, golden rod and equisetum. At Lac la Biche one begins to feel the North, for there are Chipewyans as well as Crees around the station, and the inhabitants talk of the Lesser Slave Lake and Athabasca Landing as neighbouring places.

Waterways on the Clearwater is the true gate of the North, the end of steel and the beginning of the river service. A vast sweet-smelling warehouse is the base depot of the Hudson's Bay stores. It is a place of many varied activities, including a salt mine, and the tar sands from which the Abasand Company look for great things in the way of oil. The waters were low so we had to go down to the Clearwater in a barge and join "The Athabasca River" where the vast muddy Athabasca came in from the west. She is a sternwheeler of the type common on the Nile and the Mississippi, and her skipper, Captain Alexander, learned his trade among the shifting sands of the Yukon.

In the first part of the journey the Athabasca is like an elongated lake in a rather over-wooded English park. It was a soft West Highland evening and we tied up about midnight. It was odd to wake in a steamer cabin and see from the window a branch of a tree on which sat a large hawk.

Next day we slipped down the Athabasca, the spruces giving place to black poplars, and these in turn to willows. We pushed two barges in front of us and I sat on the prow of the first - the most peaceful form of voyaging I have ever discovered. It was rather like sailing down an immense Cherwell. We scattered flocks of young mallard duck and a few teal, but on the whole trip bird life was pretty scarce. A few hawks, a bald-headed eagle, ducks, smoky terns, and gulls which they called the Franklin gull, but which looked like the greater blackback, are almost all that we saw, except the pelicans in Pelican Rapids on the Slave River.

Presently

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Presently the Athabasca became like the Oxus, a "foiled circuitous wandered", and we threaded our way through the narrow channels of the delta into the shallow waters of Lake Athabasca. We crossed it to Fort Chipewyan, a very pleasant place with rocky shores, a broad sandy beach and a multitude of little islands. Chief Jonas of the Chipewyans was an impressive figure - the only impressive Indian I met. It was here that Sir Alexander Mackenzie started on his two journeys to the Arctic and the Pacific, and Sir John Franklin on his first two journeys to the North.

After Chipewyan we entered the Slave River, which is really the Peace. The Peace is the principal stream of the Mackenzie, and, apart from its main channel, enters the west end of Lake Athabasca by two branches, the Quatre Fourches and the Revillon, where the current runs either way according to the weight of water in the Peace. Next morning we were at Fort Fitzgerald, where the rapids begin - the Cassette, the Pelican, the Mountain, and the Rapids of the Drowned. We drove the fifteen miles to Fort Smith through a country which had once been the scene of a big fire. The woods were white with caribou moss.

Fort Smith is an attractive settlement on the edge of the Wood Buffalo Preserve. There is an extraordinary cheerfulness among the people, which, indeed, is a trait common in the North. I saw good crops of wheat, cats and potatoes, and some superb gardens of delphiniums fifteen feet high. It is curious how the latest mechanical inventions, like the radio and the aeroplane, are used here not to complicate but to simplify life. There we embarked on another steamer, "The Distributor".

Next day going down the Slave an aeroplane from Edmonton brought us some mail. The North is becoming almost over-crowded, for we passed many aeroplanes and more than one Hudsons Bay boat. The Slave enters Great Slave Lake as the Oxus enters the Aral Sea, through many reedy channels and "matted rushy isles". We called at Fort Resolution, and then, with a following wind in the most perfect weather, crossed to Hay River. I had a walk there before breakfast and saw the kennels to which the Mounties' dogs are brought in for the summer. At one time the Anglican mission here included Eskimo children from the Arctic shores, but now there are mission stations and hospitals further down the river.

We were lucky enough to have a dead calm to cross the western end of Great Slave Lake; for a flat-bottomed boat the place is dangerous in rough weather.

We

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We were just in time, for a storm got up behind us which delayed the mail plane for several days.

At Fort Providence we were embarked on the Mackenzie River proper. There the Indian children of the mission (Hares and Slaves) gave me a quite good entertainment. I was much impressed by the Oblate Brothers here, one of whom had been badly wounded at Verdun in an infantry regiment which I knew all about.

In the afternoon we reached Fort Simpson, the most elaborate of the river stations after Fort Smith. There the Liard comes in from the mountains and its muddy current pollutes the Mackenzie which, from the Great Slave Lake, had been clear. My friend, Stan Macmillan the airman, had flown in from Harry Snyder's camp on the South Nahanni and wanted to fly me back to have a day after grizzly; but I did not like to break up the party.

The South Nahanni fascinates me, and I want to make a trip there with Harry Snyder before I leave Canada. There are three geographical mysteries in Canada. One is the Riviere de l'Enfer, far up in the Laurentides, which I hope to visit some day. Another is the strange tongue of forest land which runs north far up into the Barrens on the Thelon River. This has been more or less explored now since John Hornby and young Christian perished there. The third is the South Nahanni, which comes down from the mountains on the north bank of the Liard. It used to be a kind of no-man's-land over which the Yukon and the Mackenzie Indians fought. It is believed to be full of mineral wealth, but it is extraordinarily difficult to explore, for a boat is impossible since there is a fall of over three hundred feet high. In the last twenty years nine white men have gone into the valley and have not returned. Harry Snyder is exploring it by plane, and has established a camp far up it, where he has shot some wonderful specimens of mountain fauna, and discovered glaciers and snow-fields and peaks as big as anything in the Rockies. There may be some real geographical secret there waiting to be discovered.

We left Fort Simpson in a wonderful sunset, and during the night the Rocky Mountains came close to the left bank. This is the only part of the river where the scenery is really impressive. The air was steadily growing colder, and next day when we arrived at Fort Norman, at the junction of the Great Bear River, one felt the beginning of the Arctic. We all climbed Bear Rock and I managed to do the face for the first time. The rock was very unpleasant, being a kind of rotten limestone with the strata the wrong way.

From

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From the flat top we had a wonderful view, and it was curious to find the homely grass of Parnassus among strange plants like Labrador tea, the Indian paint bowl and queer lilies and orchises.

As we had to clean our boilers we did not start until next evening, after I had visited a burning coal seam on the river bank; it was burning when Mackenzie passed one hundred and fifty years ago; Next day there was a cold wind from the north. We passed through the Ramparts, which would be impressive if the river were not so wide. We stopped at Fort Good Hope, where the Catholic missions are doing fine work in agricultural experiments. That evening we crossed the Arctic circle and invented a ritual the same as crossing the Line. Santa Claus came aboard and admitted us into the sanctuary of the Arctic. Next day was very cold. We heard that the mail aeroplanes from the south were all held up by bad weather behind us; but we ourselves were several days ahead of our schedule. That night we passed Arctic Red River, and the following morning we were at Fort Macpherson on the Peel. It was near here that Fitzgerald's mounted patrol perished in the snow in their attempt to cross the divide to the Yukon. Their bodies are buried in the churchyard. Here I met one Firth, an Orcadian of eighty-seven, who had been a Hudson's Bay employee and had come out seventy years ago.

In the evening we reached Aklavik and had a party on board for the inhabitants. We spent two days there and I opened a new Anglican hospital and visited all the people. Aklavik seems to me a complete mistake. A settlement should be at the head of a delta or on the seashore, and not in the middle. One cannot imagine Calcutta built in the middle of the Sunderbunds or Cairo in the middle of the Nile delta. There is no fall and therefore no proper sanitation and the foreshore is foul. It is only the long antiseptic winters which prevent epidemics, and, indeed, they get epidemics, for there was one recently of typhoid among the Indians. It is a pity that the Catholic and Anglican churches have built such elaborate schools and hospitals, for sooner or later they will have to move.

At Aklavik the weather was really bad: a cold north wind and constant rain. The north-east wind had blown the ice to the west and made Herschel Island quite impossible. We could see a line of fog where it lay, as clean as if cut by a knife. Next day, since Herschel was out of the question and our planes had joined us, we flew to Tukta-Yatuk, the furthest northern post on the mainland, which is used as a depot for supplies for middle Arctic. I liked that place, for it has an open

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clean shore, and one saw the real Eskimos of the North. It might have been a Scots moor, for in the foot or two of peat which covers the ice there were blaeberries, crowberries and cranberries.

Going back we flew low over Richards' Island and saw the 4,500 odd reindeer which have been brought from Alaska after a three years trek, in order to encourage the Eskimo to be a herdsman as well as a hunter. Then the weather worsened. We lost our way and in the end made a quite difficult landing.

Next day, August 4th, we started back in tolerable weather. Very soon rain and mist overtook us and we had to fly close to the river to get our direction. We fueled at Fort Good Hope and reached Fort Norman in the afternoon, where we were forced down. We spent the evening there at a Hudson's Bay post and kicked our heels all next morning, for the weather reports from the direction of Great Bear Lake were bad, In the afternoon the weather improved and we made a rather bold take-off from a very stormy river. But in twenty miles we were in perfect June weather, and all the way to the other side of Bear Lake we were swimming in sunshine.

That night we put up at the El Dorado mine with Harry Snyder and a delightful company. I had a hut to myself perched high on a rocky knoll, with a blazing fire to keep me company. The following morning I spent going over the mine, which is the chief radium producer in the world. In the afternoon we flew far into the Barren Lands to a river called the Camsell, where I got my first Arctic grayling. I fished in the Great Bear Lake in the evening, but could do nothing with the lake trout. The following day, the weather being quite perfect, we flew north to the upper waters of the Coppermine and then down that river to Coronation Gulf. The weather was so fine that we flew right over the ocean up to the edge of the pack ice - an experience I never thought would be mine. Then we went on board the Mounties' steamer "San Roch", which had just rescued the survivors from the Hudson's Bay steamer "Fort James", which had been sunk that morning by the ice. In the afternoon we flew far into the Barrens and fished in a lake where no one, I am sure, had ever cast a fly before. I had hopes of a chance of a Barrens grizzly, but the only thing we saw was caribou, which we stalked, and Gordon got a good bull. We had a wonderful luncheon off steaks cooked in the open, and got back late in what was almost bright daylight.

Next day the weather was more precarious, but we started early and flew due south from Great Bear to Fort Rae. Then we turned east into the Barrens to a place called Gordon's Lake, where they have just made a

most

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most interesting gold discovery. From there we had a long flight in precarious weather to Fort Smith, where we spent the night. This was really the end of our tour proper, for the following day we flew back the course we had come by steamer, turning up the Athabasca after Waterways and finishing with a sixty mile "dry hop" to Cooking Lake, twenty miles from Edmonton. I do not think that anybody has ever covered so much varied country in so short a time. Roughly we did two thousand miles by steamer and well over three thousand by air.

II.

The Land.

There is little obvious beauty in the North. In The Return of the Native Thomas Hardy wrote, "It is a question if the exclusive reigh of orthodox beauty is not approaching its last quarter. The new Vale of Tempe may be a gaunt waste in Thule". I expected the gaunt waste, to the charms of which I am always predisposed, but in the Mackenzie valley I did not find it. Aldous Huxley somewhere asks whether the Wordsworthian peace and healing-power of Nature could be found in a lush tropical forest where Nature is cruel and fantastic. I think there would be the same difficulty in the North. Wordsworthiean Nature should have a certain reticence, cleanness and simplicity, and be built more or less on the human scale. The North is altogether beyond the human scale and it has no cleanness and simplicity. I expected bleak moors and cold ice-grey waters. Instead I found a kind of coarse lushness - immense rivers pouring billions of dirty gallons to the ocean, too much coarse vegetation, an infinity of mud, and everywhere a superfluity of obscene insect life. The impression was not of a Nature beautiful and austere, though cold and hard, but of a Nature as coarsely exuberant as a tropical forest. The delta below Aklavik has vegetation as rank as the delta of the Zambesi. The streams are as thick with mud as the Limpopo. I took a Wordsworth with me and found him perfectly unsuitable. My impression was of a monstrous superfluity of rank vegetation and mud. It was only in the miraculous sunsets that any grace or magic entered into the landscape.

The delta of the Mackenzie is a sight I shall never forget. I understand it is the largest in the world, and it is certainly the most sinister place I have ever seen. I saw it under mist and cold winds,

but

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but a bright sun would make no difference to it. It is one vast quagmire - muskeg on a colossal scale. Three main channels pierce it, and between them there is an infinity of what look like carefully engineered canals of a mathematical regularity. Between the canals are oily mud-holes and lawn-like stretches of an unwholesome green, into which whole armies could disappear. God help the man who gets lost in it. I understand that even the Eskimos have difficulty in picking their way through it. It reminded me of nothing so much as the no-man's-land between the trenches in the War - but a colossal no-man's land created in some campaign of demons - pitted and pocked with shell-holes from some infernal artillery. Looking down on it from the air at first glance one might be looking at surburban Surrey - broad tarmac highways, lines of newly planted fir trees, and behaind them the smooth lawns of sume surburban householder. It is only at the second look that one realizes that the highways are channels of yellow mud and that the green lawns are bottomless swamps.

The Arctic coast was different. There among clear half-lights and half-tones one had a wonderful feeling of space and peace. Great Bear Lake, too, with its immeasurable deep blue waters and its rocky shores, like the West Highlands, gave one the proper feeling of the clean antiseptic North. But I think the most wonderful impression I had was flying over the Barrens on a cloudy day. The cloud shadows in these infinite plains, in constant motion, made a beautiful fantastic world. It was all out of scale with humanity; but it is a good thing now and then if you manage to realize that the world was not created on your own scale. It sharpens the adventure of living.

III.

The People

The white population consists of Mounted Police, employees of the Hudson's Bay Company and the Northern Traders, a few independent trappers and fur traders, the Catholic and Anglican missionaries, the Signals officials, and the administrative officers of the Territories. I was greatly struck by the efficiency of both the Hudson's Bay and Northern Traders representatives. Their heart is in their work and there seemed to be no misfits. The Police, I need hardly say, were as good as possible. Among the independent

traders

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traders and trappers I found some wonderful old-timers who had grown into the land and were as much part of it as the native inhabitants. The Catholic missions seemed to me exceedingly well run. A brotherhood is the right mechanism for such work, and the Oblate priests and lay brothers are the kind of people suited for a wild country: strong, purposeful, capable of turning their hand to any job, and with their hearts in their work. I was not so happy about the Anglican posts along the river. At Aklavik the Bishop of the Arctic has an excellent organization and very competent helpers, both male and female; but in some of the river posts I found melancholy little Anglican parsons with anaemic wives, desperately homesick, and with no particular capacity, whose duties seemed to be confined to reading the church services on Sunday to a sprinkling of Indians. I feel that the right missionary for the north is a medical missionary, for such will always have plenty of work to do.

Wherever I went I had conferences with the local chiefs, beginning with the Chipewyans and going through the Dog Ribs, the Yellow Knives, the Slaves, the Hares or Rabbit-skins to the Loucheux ("slanting eyes"). These northern Indians are physically of a much inferior type to the Indians of the plains, and some of them, such as the Hares and the Dog Ribs, are clearly degenerate. The Chipewyans were, on the whole, the best, but I thought the Loucheux intelligent. Their grievances were very small, innocent things - a father would like his son to be allowed to accompany him to the beaver hunts; the relief of the destitute was sometimes too small, and so forth. But there was one perpetual demand - for better medical attendance. Medical services indeed are very patchy. There is a good Catholic hospital at Fort Smith; but there is nothing after that until Aklavik, where the hospital provision is ample, but not very accessible to the remoter tribes. We brought down a sick Eskimo woman from Coronation Gulf who had to go as far as Fort Smith for treatment. I feel very strongly that efforts should be made to put the whole medical services on a different basis. The Indian agent is usually a doctor, and I wonder if it is wise to mix up administrative and medical duties. The latter often get obscured by the former. What is needed, I think, is a greater number of small hospital units situated in the proper places, so that a district can really be served. A doctor should have some reasonable means of transport to cover his area, and this should be, if possible, an aeroplane. Some of the Indian agents and doctors were excellent, but not all, and I had a good many complaints of lack of attention, which I believe to be well justified. It seems to me that the North

should

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should have a picked service, both medical and administrative, to which only the right kind of man is appointed, and not, as occasionally seems to happen, a discard from some other part of the country. The representative of the Crown feels a special responsibility in this matter, for the original treaties were made in the name of Queen Victoria, and the Indians are in a special degree the wards of the Crown.

Tuberculosis is rife among the different Indian tribes and this is largely due to under-nourishment. Under-nourishment in turn comes from the failure of their hunting and trapping. This failure is partly seasonal and inevitable; but we must be very careful to see that it is not due to the intrusion of the white trapper. I am strongly in favour of the policy of increasing the area of the Indian trapping reserves and making them wholly exclusive. This is just as important in the interests of the great natural asset of the land, the furs, as of the Indian people, for the Indian is a natural conserver and will never over-trap, whereas a white man, especially with the assistance of the aeroplane, will trap a long line without regard to the future, since he can always shift his venue. This point was strongly impressed upon me by everyone I met in the North who had given any thought to the question.

The Eskimos are altogether a finer race than the Indians, both physically and mentally. They seem to be more able to take what is best in white civilisation and leave out what is bad. But they, too, are beginning to suffer from tuberculosis, due to their change in housing and dietetic conditions. Our responsibility for them is different from our responsibility to the Indian, for they have no treaty rights. Economically they are fairly comfortable, and our obligation to them, I think, is chiefly to provide reasonable medical facilities. They are an attractive people who look you straight in the face, and are always laughing, and they have an extraordinary talent for mechanics. Some do very well. I met an Eskimo family from remote Victoria Land who possessed a schooner in admirable order and clean as a new pin, for which they had given 24,000 dollars. The northern Indians, I feel, will always be a responsibility rather than an asset, but I think the Eskimos, if properly handled, will be a really valuable element in the development of the North. They understand the techniques of life there as no one else does.

A word should be said about the half-breeds, who seem to me of a far higher type than the ordinary Metis. They have all the merits of the white man added to the traditional lore of the Indian. They are upstanding, straightforward folk, who look you frankly

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in the face and have excellent manners. Most of them are the offspring of the old Hudson's Bay employees brought from Scotland and the Orkney Islands, and most of them have Scots names, a few Irish, and very few English. When an old Hudson's Bay factor was asked for the reason for this scarcity of English names he replied that the Indians had to draw the line somewhere.

There is an immense friendliness in the North. It is a true democracy, for there are no distinctions of classes. The trapper is on the same social level as the Hudson's Bay post-master, or the police sergeant. Everybody is known by his Christian name, and they are all ready to help each other. A man will take enormous pains to get a neighbour out of a difficulty, even though he may not be a particular friend of his. In the face of a harsh Nature human beings seem to have acquired a keener sense of responsibility towards each other. I cannot imagine a more pleasant or wholesome society.

lV.

The Economics of the North

Canada still has a physical frontier, which the United States no longer possess, and that frontier is in the north. There is a line beyond which her possessions are imperfectly known or not known at all. I believe these possessions to be very great and that in the north will lie the main area of her future development.

To enumerate her assets.- First there are the furs, of which the Canadian North must remain one of the chief producing grounds in the world. In spite of fur farms in more temperate climes I do not believe that the value of the northern furs is likely to decline. It is extremely important, both for the sake of the native population and for the future prosperity of Canada that the fur-bearing animals should be wisely protected. This means, as I have said, that the white trappers should be strictly limited in number. It means, too, that a careful watch should be kept over the production of the different furs in the different areas. Furs go in cycles, depending largely upon the number of rabbits (which are the ultimate food of most fur-bearing animals), and there should be some protection during the bottom of the cycles. When a fur, such as marten, is getting scarce in a particular area that area should be temporarily closed.

Happily

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Happily there is ample knowledge in the north on which to base a wise fur policy.

Next for the lesser assets. - Timber is of no particular value except for local uses. In the far north it is brought for building purposes from British Columbia. Along the river banks it provides the fuel for the stern-wheelers, and these banks are consequently being rapidly cleared; but it is probable that sternwheelers will soon be run on oil. It will remain a valuable fuel, and sufficient for the simpler purposes of construction.

Something might be done with the fisheries. There is a ready market in the States for fresh-water fish, and most of the lakes have enormous quantities of white fish, and, further north, of trout, and what is called salmon trout (that is the Arctic char), At present, owing to the difficulties of transport, it is only the southern lakes which are properly exploited. If fishing ever became a serious industry some attention would have to be given to stocking and re-stocking. There is such an immense amount of water in the north that the possibilities of fresh-water fisheries are limited only by transport costs and the American market.

Every year the area in which agricultural crops can be satisfactorily harvested is being pushed further north. At present one may say that the agricultural and pastoral possibilities stop with the Peace River. I believe that the valley of the Hay River has great agricultural value, and the same is true of the Upper Liard. The latter, indeed, as it approaches the hills, is an ideal ranching country and only requires greater transport facilities to be profitable. The amazing Arctic summer, with its double allowance of sunlight, makes it possible to have excellenct vegetable gardens well inside the Arctic circle, which is an addition to the amenities of life.

The great asset of the North, of course, is its minerals, of which we have only scratched the surface. The Laurentian Shield runs pretty well from the Hudson's Bay to the east bank of the Mackenzie. At present, owing to the cost of transport, only the more precious metals can be profitably mined. Examples are the El Dorado silver and radium mines, and the new gold mining activities on the Yellow-knife River, at Gordon Lake, and Goldfields at Lake Athabasca. No man can say what developments there are in store in the future, but the indications are that they will be very great. As for base metals, there are indications of a great wealth of copper right up to the Arctic shores. But indeed it is idle to speculate. All we can say is that the whole of the Canadian Barrens are probably a vast treasure house.

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Development depends wholly upon transport. This will depend partly on river steamers, but principally I think upon the air. At present air transport is expensive, and the future of the North depends upon its cheapness. This again depends upon the local development of oil. I am inclined to think that there is a great future for oil in the Abasand and Bitumont areas near MacMurray, and the Imperial Oil Wells north of Fort Norman are already producing for local consumption. If the oil-bearing capacities of the North can be developed there is no reason why air transport should not be greatly reduced in price. There is no country in the world where, owing to the innumerable waterways, it is safer both in summer and winter. In any case it looks as if the North would be of supreme importance in the air, since, if the Atlantic air services are established, the European mails for China and Japan will go down the Mackenzie.

My conclusion, therefore, is that the future of the North depends chiefly upon the air. If cheap air services could be established everywhere not only would the economic assets be rapidly developed, but the dwellers would be brought into close touch with the great centres and their lives thereby made more confortable, and the medical care of the population would be enormously facilitated.

The vision I have of the future of the North is of a large number of smallish industrial centres, in close touch with civilisation by radio and the air. The winter climate on the whole is much milder than in the Prairies. Such centres would have all the decent appurtenances of civilisation in the shape of frequent mails, a properly varied food supply, and medical attention. Heavy plant and heavy ores would go in and out by water, but the main form of transport would be the air. The work of the Signals in providing meteorological information is already excellent, and with proper meteorological advice flying in the North can be probably made safer and more regular than anywhere else in the world. But this future depends upon a chain of hypotheses, the most important being the cheapening of local oil fields. The North is not an easy problem for Canada, but it offers a wonderful chance. She has already a fine performance to her credit - just as fine as the much-vaunted Russian development of northern Siberia - and though there is still much to do she starts with two great advantages; the assets are there, and she can produce the right kind of men to develop them.

1st September, 1937.

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PRIVATE

PROGRAMME

for the

VISIT

of

Their Excellencies the Governor-General and the Lady Tweedsmuir

to

TORONTO AND MONTREAL

November 22nd to 27th

1937

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Composition of Party:-

His Excellency
Her Excellency
The Hon. Mrs. N.Grosvenor
Mrs. George Pape (Lady-in-Waiting)
Mr. H.R.Stewart (Deputy Assistant Secretary)
Captain G.P.Campbell-Preston, A.D.C.
Lieutenant R.Scott, R.N. A.D.C.

Lt.-Col.E.D.Mackenzie (Comptroller of the Household) will stay at the Royal York Hotel.
Colonel and Mrs. H.Willis-O'Connor will stay at Government House on the 22nd and 23rd.

Monday, November 22nd:

7.20 a.m. Arrive Toronto. Their Excellencies and party will be the guests of His Honour the Lieutenant-Governor and Mrs. Bruce at Government House.

11.00 a.m. His Excellency, attended by Mr. Stewart and Lieut.Scott, will visit the Toronto General Hospital, 101 College St. The Board of Trustees will meet His Excellency on arrival at the main entrance on College St; departure will be from the main entrance of the Private Patients' Pavilion on University Avenue. Dress - Business clothes.

1.00 p.m. His Excellency, attended by Mr. Stewart and Lieut.Scott, will lunch with the Horse Show Committee at the Royal York Hotel. Dress - Business clothes.

1.00 p.m. Her Excellency will lunch at Government House.

4.00 p.m. Her Excellency, attended by Mrs. Pape, will visit Branksome Hall School, Elm Avenue. (Principal, Miss E.M.Read)

Dinner at Government House.

9.00 p.m. Their Excellencies will attend the Royal Agricultural Winter Fair.at the Coliseum, Exhibition Grounds. A Guard of Honour from the 48th Highlanders of Canada, under Capt. Gordon, will be paraded in the Arena at this hour.

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Tuesday, November 23rd:

11.00 a.m. His Excellency, attended by Lt.-Col.E.D.Mackenzie and Captain Campbell-Preston, will pay an unofficial visit to the Winter Fair. Dress - business clothes.

1.00 p.m. Her Excellency, attended by Mrs. Pape, will lunch with Mrs. Cody at the Toronto Ladies' Club, 2 Bloor St.

3.00 p.m. Her Excellency, attended by Mrs. Pape, will visit the West End Creche, 197 Euclid Street. (President, Mrs. R.W.Thomas)

Dinner at Government House.

8.30 p.m. Their Excellencies, accompanied by The Hon. Mrs. N. Grosvenor and attended by Colonel and Mrs. Willis-O'Connor, Mrs. George Pape and Mr. Stewart, will attend the Toronto Symphony Orchestra Concert in Massey Hall.

Wednesday, November 24th:

11.00 a.m. His Excellency will receive Dr. Bradwin, Principal of the Frontier College, at Government House.

a.m. Her Excellency will visit Annandale Farm.

Dinner at Government House

8.30 p.m. His Excellency, attended by Mr. Stewart and Captain Campbell-Preston, will attend the Canadian Poetry Meeting in Convocation Hall, University of Toronto, where His Excellency will deliver an address.

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Thursday, November 25th:

1.00 p.m. Her Excellency, attended by Mrs. Pape, will attend a luncheon of the Toronto Women's Press Club (place to be notified).

3.00 p.m. Her Excellency, attended by Mrs. Pape, will be present at the 25th Annual Meeting of the I.O.D.E. Preventorium, to be held in the Eglinton United Church Parish Hall, Sheldrake Boulevard. (Hon. President, Lady Gooderham)

Dinner at Government House

8.30 p.m. Their Excellencies, accompanied by The Hon. Mrs. Grosvenor and attended by Mrs. Pape, Mr. Stewart and Lieut. Scott, will be present at a performance of "The Family Portrait" at Hart House Theatre.

11.15 p.m. Leave Toronto for Montreal.

Friday, November 26th:

7.45 a.m. Arrive Montreal (Windsor Station)

11.00 a.m. Their Excellencies, attended by their Staff, will visit the Montreal Book Fair at the Mount Royal Hotel. They will be met on arrival by the Chairman, Sir Andrew Macphail.

3.00 p.m. Her Excellency, attended by Mrs. Pape, will visit St. Mary's Hospital, 3830 Lacombe Avenue.

4.00 p.m. Her Excellency, attended by Mrs. Pape, will pay a short visit to the Needlework Guild of Canada at Stephenson Hall, 1485 Drummond Street. (President, Mrs. D.White)

8.00 p.m. Their Excellencies, attended by Mrs. Pape, Mr.Stewart and Captain Campbell-Preston, will dine with the St. Andrew's Society of Montreal (President, Colonel H.M.Wallis) at the St. James's Club, and will afterwards attend the St. Andrew's Ball at the Mount Royal Hotel.

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Saturday, November 27th:

11.30 a.m. Her Excellency, attended by Mrs. Pape, will visit the Burton Book Shop, 1004 St. Catherine St.W.

1.30 p.m. Their Excellencies, attended by Mrs. Pape and Captain Campbell-Preston, will lunch with Mr. and Mrs. Robert Reford at 3510 Drummond Street.

7.30 p.m. Their Excellencies, attended by Mrs. Pape, Mr.Stewart and Captain Campbell-Preston, will dine with the Association of Canadian Bookmen at the Mount Royal Hotel.

Sunday, November 28th:

8.30 a.m. Leave Montreal for Ottawa

11.45 a.m. Arrive Ottawa

Motor-Cars: At Toronto - three cars will be supplied by Anderson, McLaughlin-Buick Pontiac Ltd.,

At Montreal- two cars will be supplied by General Motor Products of Canada Ltd.

Note: Lt.Colonel E.D.Mackenzie and Colonel and Mrs. Willis-O'Connor will return to Ottawa from Toronto under private arrangements.

The Hon. Mrs. Grosvenor will return to Ottawa from Toronto on the 26th.

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Governors-General
"Tweedsmuir"

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MEMORANDUM FOR THE PRIME MINISTER

MEMORANDUM CONCERNING A SPEECH OF HIS EXCELLENCY THE GOVERNOR-GENERAL, DELIVERED AT THE ANNIVERSARY DINNER OF THE CANADIAN INSTITUTE OF INTERNATIONAL AFFAIRS AT MONTREAL, OCTOBER 12TH, 1937.

January 7, 1938.
J.E.R.

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Memorandum concerning a Speech of His Excellency the Governor-General, delivered at the Anniversary Dinner of the Canadian Institute of International Affairs at Montreal, October 12th, 1937

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1. This speech was delivered at the dinner in Montreal, given to celebrate the tenth anniversary of the founding of the Institute. The Institute is an organization with branches in the more important Canadian urban centres. The membership consists of Canadians who are interested in the study of international affairs. It is not a political organization. It provides a place where international questions are considered and discussed without prejudice.

2. The Anniversary Dinner provided an occasion for reviewing the nature of the activities of the Institute and for appraising their value to the members and to the country. The statements made by Mr. Dafoe, by the Chief Justice of Ontario, by Sir Campbell Stuart, Mr. Mallory, Mr. Mackenzie King, Mr. Gouin, Mr. Tarr and Mr. Claxton, indicate the

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general theme of the discussion. In the circumstances it was inevitable that His Excellency, an original member of the Royal Institute, should talk about the character of the Institute's activities, the approach to the studies conducted by its members, and its relationship to the country.

3. A copy of the Report is annexed, containing the text of His Excellency's speech. An examination of the speech as a whole in its setting, makes it perfectly clear that it could not fairly be criticised unless His Excellency is to be restricted to colourless comments upon the weather, on art and on literature.

4. Severe criticisms have been made by extracting a sentence or two from the speech, disregarding the context and the occasion and stressing the meaning of isolated phrases.

5. The most serious attacks have been made by the Hon. C. H. Cahan in an address before the Montreal members of the Royal Empire Society, October 29, 1937, by Mr. John Bassett, the publisher of the

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Montreal Gazette, in addressing the Association of Canadian Advertisers on December 10th, and by the Telegraph-Journal of St. John, December 2nd.

6. Objections to the speech are largely based upon excerpts from the following two paragraphs:

> "This attitude must be mainly determined by the citizens themselves. The day has gone when foreign policy can be the preserve of a group of officials at the foreign office, or a small social class, or a narrow clique of statesmen from whom the rest of the nation obediently takes its cue. Today the problems affect us all too vitally in our private interests. The foreign policy of a democracy must be the cumulative views of individual citizens, and if these views are to be sound they must in turn be the consequence of a widely diffused knowledge.
>
> "From this duty no country is exempt. Certainly not Canada. She is a sovereign nation and cannot take her attitude to the world docilely from Britain, or from the United States, or from anybody else. A Canadian's first loyalty is not to the British Commonwealth of Nations, but to Canada and to Canada's King, and those who deny this are doing, to my mind, a great disservice to the Commonwealth. If the Commonwealth, in a crisis, is to speak with one voice it will be only because the component parts have thought out for themselves their own special problems, and made their contribution to the discussion, so that a true common factor of policy can be reached. A sovereign people must, as part of its sovereign duty, take up its own attitude to world problems. The only question is whether that attitude shall be a

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"wise and well-informed one or a short-sighted and ill-informed one. Therefore we need knowledge - exact knowledge - and it is one of the objects of this Institute to provide that."

7. Mr. Cahan's objection is largely directed to the sentence which reads:

"A Canadian's first loyalty is not to the British Commonwealth of Nations but to Canada and to Canada's King, and those who deny this are doing, to my mind, a great disservice to the Commonwealth."

The objection is based upon the view that there can be no division of loyalty, that the Crown is indivisible, and that, while the King is King of the Canadians, he is not King of Canada. The last conclusion is supported by a lengthy analysis of the B.N.A. Act. It is also based upon a recital of the resolutions of the Imperial Conferences of 1923 and 1926, stressing particularly the obligation for consultation in international relations dealing with matters of common interest. Reference is made to the statement in the Imperial Conference Report of 1926 as to the large share of Great Britain in foreign affairs and defence, and to the provisions of the Statute of Westminster, especially the recital dealing with the question of alteration in the law touching

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the Succession to the Throne and the Royal Style and Titles. Mr. Cahan takes the view that loyalty to the Commonwealth implies strict fidelity to the constitutional conventions which its members have now undertaken or may hereafter undertake. He stresses the need for cooperation and collective action and for unity in the administration of the common interests of the Commonwealth. He suggests the interchange of High Commissioners, whose chief duty should be to assist in developing, as far as possible, a joint policy in respect of all international affairs of common interest in the Empire.

Mr. Bassett's criticism is similar in character.

The position taken by the Telegraph-Journal is a typical statement of a staunch Imperialistic point of view.

8. The strength of Mr. Cahan's position is in its apparent foundation upon the Constitution. Its weakness is based on its neglect of a simple, but fundamental, legal principle.

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International relations are within the scope of the Royal Prerogative. Neither the Parliament at Westminster nor the Parliament of Canada has, to any noticeable extent, entrenched upon the prerogative power of the King in the conduct of international relations or in the exercise of the treaty-making power. Both in Colonial times and at present, international relations have been conducted by and in the name of the King. In so far as legal power is concerned, governments and parliaments do not enter into the picture. Parliament could step in and entrench upon the power but it has not done so.

It has become a recognized convention of the constitution that the King does not act of his own motion in the conduct of international affairs. He acts on the advice of his Ministers, and the constitutional changes which have taken place have largely consisted of changes in the practice of advising the King in the exercise of his prerogative power.

In Colonial times the King acted upon the advice of his Ministers at Downing Street in matters which concerned Great Britain or Canada. Today, the King acts in matters which concern Canada in accordance with the advice of his Canadian Ministers. Legally,

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there has been no change; constitutionally there has been a fundamental change whereby the King seeks the advice of his Ministers in Ottawa, rather than the advice of his Ministers in London. There are matters that concern both London and Ottawa and, in such cases, the King acts upon their joint or several advice.

Mr. Cahan makes much of the point that there are certain things that the Canadian Government cannot do, but he ignores the point that, in corresponding matters, the Ministers in the United Kingdom are equally impotent. For example, he states:

> "In effect Canada may not declare war nor proclaim her neutrality nor make peace independently in any war in which the United Kingdom is involved without thereby declaring her secession from the British Commonwealth of which Canada now forms an integral part."

He overlooks the fact that the United Kingdom may not declare war nor proclaim her neutrality nor make peace independently in any war in which Canada is involved without thereby declaring the secession of the United Kingdom from the Commonwealth. He is prepared to deny to a Canadian the privilege or obligation of loyalty to Canada, but it is doubtful whether he would condemn in equal terms the loyalty of an Englishman or a Scotsman

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to Great Britain. He is prepared to question the privilege or obligation of the Canadian to consider international problems in the light of his loyalty to Canada, but one wonders whether he would have the Englishman or Scotsman disregard his loyalty to the United Kingdom in the consideration of international problems.

9. The following points require special consideration:

(a) Can the question be raised in the House?

It is clear that no member may speak disrespectfully of the Governor General (Beauchesne, Parliamentary Rules and Forms, Rule 19; Standing Orders of the House of Commons, No. 41).

It is also clear that any allusion to the personal views of the King or of the Governor General, in such a manner as would influence the judgment of members, would be contrary to the Rules of the House (Anson, Law and Custom of the Constitution, 5th Ed. Vol. 1, pp. 332, 333). (Bourinot, Parliamentary Procedure and Practice,

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2nd Ed., pp. 410, 411.)

On the other hand, Bourinot points out that it is not unusual in the Canadian House for the Leader of the Government to make statements with reference to the relations between the Cabinet and His Excellency the Governor General, or in answer to false reports in the public press.

There seems, however, to be no rule preventing a discussion by Parliament of the action of the Sovereign or of his representative. While such a debate, obviously, should not be lightly undertaken, the authority of Parliament to discuss royal acts or statements, is an essential part of our constitutional system. The Stuart period is replete with precedents, but we do not need to go back much more than a year to the time of the abdication, to find instances of discussion in all of the Parliaments of royal acts or proposals.

Accordingly, while it would be most undesirable to adopt any course of action that

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would interfere with the power of Parliament to debate royal or vice-regal conduct or statement, it might well be urged that the exercise of such power should be reserved for serious matters.

(b) Assuming that the question can be raised in the House, what courses of action are open to the Government?

There are three courses of action available:-

(i) <u>Complete responsibility could be assumed ab initio.</u>

This course would involve assumption that the Governor General's speech had been previously authorized by the Cabinet as a statement of governmental policy, either by its having been prepared by the Government, or submitted before-hand by the Governor General, and approved. This assumption is probably untenable in fact.

This course is also open to the serious objection that it would not be in accordance with constitutional practice for the Crown to express the views of the Government on questions of policy, save in the Speech from the Throne and other formal

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communications to Parliament which are sanctioned by usage.

(ii) <u>The Government could accept responsibility for the Governor General's Statement.</u>

It is clear that the statement is defensible, and sets forth the present constitutional position.

On the other hand, it is equally clear that the making of a defensible statement in a controversial matter would not be justifiable. This course would, therefore, be unsatisfactory and would be open to the same general objection as the preceding course.

(iii) <u>The Government could, without accepting responsibility for the Governor General's statement, take the position that the Governor General was justified in discussing a matter of this sort and in expressing his personal views.</u>

This position would be open to the Government, whether or not the speech had been previously examined and approved. In such a case, the previous examination would necessarily be restricted to determining whether the matter was controversial, and would not carry with it governmental approval. For example, assuming a case in which the Governor-General proposed to deliver a speech, the subject

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matter being Etruscan Art, an examination by the Government would involve a finding that the subject matter was suitable, rather than approval of his aesthetic opinions.

It is clear that the Governor General can, with propriety, discuss non-political matters and non-controversial political matters. It is equally clear that he cannot properly discuss controversial political matters.

Setting aside, for the moment, non-political topics, such as art, literature, etc., and considering only the topics which may have some political aspects, the Governor General is faced with a line of demarcation which is easily defined, but not so readily determined in practice.

It is clear that the Governor General can talk generally about the state of the world, international affairs, loyalty, patriotism, and general historical, political, and economic questions. In so doing, he is bound to avoid those aspects of the questions which are currently in controversy. He must not over-step the line between that which is controversial and which is not controversial.

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Bearing in mind the nature of his task, it is submitted that he can only be brought to task if he shows bad faith or negligence in over-stepping the line of demarcation.

Bringing these principles to bear upon the present case, it is clear that there has been no question of bad faith or negligence on the part of the Governor General. He was talking about a subject matter which no fair-minded Canadian would have regarded as being a matter of political controversy in our day and generation. He was discussing one aspect of this subject matter, namely the conception of loyalty, which, again, no fair-minded Canadian would have regarded as being a matter now in controversy. He expressed his opinion, which was in accord with the definitely expressed views of the leaders of the Canadian parties on both sides of the House, entirely in accordance with the principles expressed and practiced by his principal critic, and in complete harmony with the present position of Canada as established by legislation, by resolutions of Imperial Conferences and by the practice of successive governments.

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It is submitted that the Governor General cannot, in any way, be criticized, by reason of the fact that his very clear statement of a commonly-held Canadian viewpoint happened to fan the ebbing fires of an effete colonialism and cause them to emit a few straggling sparks.

The revival of the controversy by Mr. Cahan, Mr. Bassett and the St. John Telegraph Journal creates a situation in which it would be obviously inappropriate for the Governor General to discuss the matter at the present time,- a matter which was non-controversial last October is now controversial. But the subsequent emergence of the controversy cannot now vitiate action which was right on the 12th October, 1937.

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Supplementary Note

In one sense, the soundness of the Governor General's opinion is not a relevant issue. A similar question was raised by the late John S. Ewart when he criticized Earl Grey for the advocacy of Imperialistic views. Mr. Ewart said:

> "Some Imperialists will not agree with what I have said. They will urge that Lord Grey's views are right. I reply that that is not the point. If Lord Grey advocated Nationalism, I should say that his views were right, but I should agree that advocacy of them by him was wrong. It may be said that the questions involved are of the highest and most vital importance. That is true. But His Excellency is precluded by his office from discussing them. The only argument in favour of appointing an Englishman rather than a Canadian to the headship of our Government is that he is supposed to be able on that account to act a more impartial part, and to keep more aloof from political strife."

There is, however, another aspect of the problem. Without questioning Mr. Ewart's opinion, it may be pointed out that it is impracticable to avoid consideration of the soundness of the Governor General's views in determining the more directly relevant issue as to whether they were controversial in character.

In approaching this problem, it is difficult to find any direct indication of the views

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of political leaders and any direct treatment, either by constitutional authorities or by governmental conferences.

Taking the sentence of the Governor General's, upon which attention has been focused, it will be observed that it discusses the question of a Canadian's first loyalty and the character of the Kingship.

Considering, first, the question of a Canadian's first loyalty, it may be observed that the matter does not appear to have been directly dealt with in any of the resolutions of the Imperial Conferences, or of the Conference on the Operation of Dominion Legislation.

There have been ample discussions of national status. There is definite recognition of the conception of nationality as expressing the relationship between the individual and the member of the British Commonwealth to which that individual belongs. Reference may here be made to paragraphs 73 to 79 of the Report of the Conference on the Operation of Dominion Legislation 1929 and to Section VI (b) of the Summary of Proceedings of the Imperial Conference 1930, and to the Summary of

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Proceedings of the Imperial Conference 1937, at pp. 23 to 26 inclusive. It is also recognized that the members of the Commonwealth are united by a common allegiance to the Crown and that this allegiance is the basis of the common status possessed by all subjects of His Majesty (C.D.L. Report 1929, Para. 75). This common status is described by the term "British Subject" which does not mean "subject of Great Britain". It is a term of long-standing, and denotes, generally, all subjects of His Majesty, to whatever part of the British Commonwealth they belong (I.C. Report 1937, p.23). Bearing in mind the endorsation of the 1929 and 1930 reports by the Parliament of Canada and by all parties, the existence of the two types of status is clearly recognized.

The question of allegiance has also been dealt with in explicit terms. In the Summary of Proceedings of the Imperial Conference 1926, is to be found the statement as to the position and mutual relation of Great Britain and the Dominions,

> "They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown and freely associated as members of the British Commonwealth of Nations". (p.14).

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Reference has already been made to Para. 75 of the O.D.L. Report 1929, where it is pointed out that the common allegiance to the Crown of the members of the Commonwealth, is the basis of the common status possessed by all subjects of His Majesty.

The universal acceptance of this conception is further indicated by the second recital of the Statute of Westminster, dealing with the question of alteration in the law touching the succession to the Throne:

> "And whereas it is meet and proper to set out by way of preamble to this Act that, inasmuch as the Crown is the symbol of the free association of the members of the British Commonwealth of Nations, and as they are united by a common allegiance to the Crown, it would be in accord with the established constitutional position of all the members of the Commonwealth in relation to one another that any alteration in the law touching the Succession to the Throne or the Royal Style and Titles shall hereafter require the assent as well of the Parliaments of all the Dominions as of the Parliament of the United Kingdom:"

The national status of individuals and the conception of the common allegiance to the Crown of the members of the British Commonwealth, have been specifically and completely dealt with. On the other hand, there does not appear to be any discussion of the conception of loyalty. Loyalty, of course, is not a matter for the lawyers or the constitutional pundits,

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it is a moral and emotional response of a human being to the traditions, environment and political and constitutional circumstances in which he lives. It may reasonably be assumed that the politicians and constitutional authorities felt hesitant about the attempt to give authoritative definition to the conception of loyalty.

Similarly, a cursory search of the pronouncements of Canadian public men fails to disclose any discussion of loyalty as such.

On the other hand, a study of the pronouncements of Canadian public men shows plainly that the corner stone of their political philosophy and practice is a deep and abiding loyalty to Canada.

Mr.Cahan's speech on the Sino-Japanese situation (Hansard 1932-1933, Vol. 5, May 16, 1933; pp. 5059-5067) is an excellent example. The general tenor of his speech, dealing with matters of high policy, involving issues of peace and war, makes it very clear that his acts and words at Geneva were determined by loyalty to Canada and to Canada's King:

> " . . . I deemed it expedient at the special assembly in December last to refer to Canada's new historic point of view, inasmuch as it was then evident that there were delegates

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"from some of the recently organized states of Europe, who foresee that coming events may place their own state boundaries in jeopardy, and who were disposed to press for an arbitrary condemnation of Japan and the premature enforcement, in their interests, of the sanctions prescribed by the provisions of article 16.

I would like to suggest that one occupying the position I did, representing Canada and standing before that assembly of representatives from all parts of the world, must necessarily feel a great responsibility indeed, in view of the fact that to attain the ultimate end sought by many of the delegates might have involved placing upon Canada the responsibility of again sending her military forces into the far east for the preservation of peace in Manchuria. And knowing as I did, the historic development of opinion in Canada with regard to article 10, I conceived it my bounden duty to state to that assembly what I believed to be the prevailing public opinion in Canada which has been accepted and endorsed by each successive government in our country, in order that there might be no misapprehension as to the position which I as a delegate of Canada was then taking.

Article 16 would involve:

> The severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant breaking state, and the prevention of all financial, commercial or personal intercourse between the nationals of the covenant breaking state and the nationals of any other state, whether a member of the league or not."

The same observations could be made with regard to Mr. Bennett's speech (See Hansard 1936, Vol. 4, June 18, 1936, pp. 3894-3895):

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". . . Why should we take some action just because some other nation has? Why should we determine that we shall abandon sanctions because some other nation is about to do so?

"An hon. Member: Because Great Britain has.

"Mr. Bennett: If Great Britain abandoned sanctions Great Britain has good reasons. What reasons are there that we should do the same? Our peace is not disturbed; our shores are not invaded.

"Mr. Mackenzie (Vancouver): It would be entirely ineffective.

"Mr. Bennett: Not as far as Canada is concerned. It would lessen our trade; it would prevent Italy from receiving from us certain commodities that she otherwise would receive, but we should stand as an example to the world that a new democracy is blazing for itself a new pathway of rectitude in regard to a position which she had accepted under the League of Nations. That is what it would mean. One may say that that is absurd; that one nation does not count, especially on the north American continent. Ah, well, example is very great. We being a small power in numbers, without military equipment that could possibly be utilized in any prospect of war, whether on sea or on land or in the air, that was eliminated in the very first discussion which took place. Then why should we acquiesce when we have no complications in our national life such as the nations in Europe have?

There is, of course, no need to refer to the pronouncements of the leaders of the other opposition parties. Without expressing any approval or disapproval of their policies, it can be stated that no person would ever suggest that their political philosophy was founded upon anything other than loyalty to Canada. Accordingly,

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it could reasonably be assumed by the Governor General, at the date of the address, that there was general agreement by all political parties on the question of loyalty to Canada. The subsequent emergence of controversy is an irrelevant consideration.

The other aspect of the Governor General's statement, to which exception has been taken, namely, that a Canadian's first loyalty is to Canada's King, is subject to somewhat different considerations. It is submitted that the critics have failed to understand the plain meaning of the Governor General's words. It is probable that they did not have access to a proper text of the speech, and it is almost certain that they did not have access to a complete report of the other speeches delivered on the same occasion.

The Governor General's statement cannot properly be interpreted as a negation of sovereignty on the part of King George VI over the United Kingdom or over any other part of His Majesty's dominions. It can only properly be interpreted as stressing the fact that King George VI is King of Canada, As such, he is entitled to the allegiance of all Canadians. As a result of this allegiance, there is undoubtedly an obligation

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of loyalty on the part of Canadians to their King. Certainly, it is a matter of actual fact that loyalty exists and has been abundantly evidenced in word and in deed. The provisions of the Statute of Westminster, the King's title, the abdication legislation, the terms of the coronation oath as revised, all emphasize the aspect of the kingship upon which the Governor General directed his attention in the sentence which has been criticized.

There has been, of course, some controversy among the lawyers and constitutional authorities with regard to the divisibility or the indivisibility of the kingship. It is probable that the Governor General's critics had this controversy in mind and that they regarded his statement as tending towards one side or another of this controversy. There is no reasonable interpretation of the Governor General's statement which would draw it within the field of that controversy. It is a simple statement by a person who is not a constitutional expert, of a simple fact. There is no indication that the speaker was even aware of the existence of this constitutional controversy and it is most unfair to suggest that he was in any sense taking sides. It is submitted

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that no Governor General should be criticized for a statement with regard to a simple fact, with a simple meaning comprehensible to all ordinary men, merely by reason of the fact that it may be possible to drag that simple statement, by means of implications comprehensible only to a few experts, into the field of constitutional controversy.

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CANADIAN INSTITUTE OF INTERNATIONAL AFFAIRS
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C. I. I. A. NOTES

NOVEMBER, 1937 — No. 3

FOREWORD

By E. J. Tarr, K.C.
President of the Institute

Distances are so great in Canada that if a nation-wide organization like the Institute is to operate as a unit it is almost inevitable that a great many decisions be taken by a small group of those who are not in close contact with more than two or three of the branches. In these circumstances we should guard against the danger of the central organization—the National Council, the Executive Committee, the Research Committee, and the office of the national secretary—losing touch with the needs and desires of the branches and of the individual members. It cannot be emphasized too strongly that the central organization should represent and serve the interests and needs of the branches and individuals of which the Institute is composed. It follows that branches and individual members should feel under obligation to exercise an unrestricted right of comment and criticism, though it should always be borne in mind that criticism to be effective should be constructive. Unless opinions are expressed and suggestions freely offered, the possible usefulness of the central committees will not be fully achieved, through no fault of their own but rather because of the neglect of branches and individuals.

ANNIVERSARY DINNER, MONTREAL, OCTOBER 12, 1937

The Institute celebrated the tenth anniversary of its founding at a dinner at the Ritz Carlton Hotel, Montreal, on October 12. His Excellency the Governor-General was present and delivered the principal address. The Right Hon. W. L. Mackenzie King, Prime Minister of Canada; the Hon. N. W. Rowell, Chief Justice of Ontario; Sir Campbell Stuart, representing the Royal Institute of International Affairs; Mr. W. H. Mallory, representing the Council on Foreign Relations, New York; Mr. Léon Mercier Gouin; Mr. J. W. Dafoe, the retiring president of the Institute; Mr. E. J. Tarr, the new president; and Mr. Brooke Claxton, chairman of the Montreal Branch, also spoke. Mr. Dafoe presided.

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In his opening remarks, Mr. Dafoe recalled the meeting, held nearly ten years ago at the home of Sir Robert Borden in Ottawa, at which the Canadian Institute of International Affairs had been organized. That meeting, he said, was an event of national importance. He referred to the great part played by Sir Robert Borden in building up the Institute, and to the work of John Nelson, the real founder of the Institute, whose efforts had been directed for two years to the establishment of an organization in Canada which would be affiliated with the Institute of Pacific Relations and the Royal Institute of International Affairs. Mr. Dafoe then called upon one of the original members of the Royal Institute, John Buchan, "under his well-known alias of Lord Tweedsmuir", to give an address.

His Excellency spoke as follows:

"I am very glad to be here to-night. This is the first occasion on which I have had the privilege of meeting the members of your Institute of International Affairs. A Governor-General, I need hardly remind you, has to walk warily. In the domestic affairs of the country where he represents the King, he can have no views on policy except those of his ministers. And even on international questions he is in a position of some delicacy, for to-day international problems have the unhappy knack of also becoming domestic problems and dividing people into party groups.

"So, gentlemen, to-night you will not hear from me any views on international policy. I have my views, of course, but at present they are not for publication. But there is one thing on which I can speak frankly. The purpose of your organization is study. You are a forum for discussion, not an agency for propaganda. Your business is to acquire expert knowledge about the data on which policies must be framed. Now, that is a purpose whose value is altogether beyond question. No policy is of any use unless it is adequate to the facts, and the first duty of the citizen is to inform himself of the facts.

"In the old days in Britain foreign affairs were very largely a matter of platitudes and sentiment. We were moderately disturbed by matters like the Risorgimento in Italy and by Turkish misrule in the Near East. A great orator like Mr. Gladstone could arouse the emotions of his countrymen to a high pitch over such matters. Foreign questions, too, now and then seemed to threaten the safety of the Empire's frontiers, and to arouse patriotic anxieties. But these occasions were not very numerous. On the whole, one may say that till thirty or forty years ago foreign affairs had only an academic interest for the ordinary British citizen.

"How different it is to-day! The world has been telescoped, distances have shrunk, and every nation is in some kind of uneasy bondage to the others. What is happening three thousand miles away may have a direct effect upon the safety and prosperity of the private citizen. Therefore every nation must have a foreign policy in the sense that it must consider its position vis-à-vis the world at large. No country can seclude itself and declare that it will go its own way without troubling its head over what other people are doing. Its political security, its economic prosperity, compels it to have some reasoned attitude towards the outer world.

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"This attitude must be mainly determined by the citizens themselves. The day has gone when foreign policy can be the preserve of a group of officials at the foreign office, or a small social class, or a narrow clique of statesmen from whom the rest of the nation obediently takes its cue. To-day the problems affect us all too vitally in our private interests. The foreign policy of a democracy must be the cumulative views of individual citizens, and if these views are to be sound they must in turn be the consequence of a widely diffused knowledge.

"From this duty no country is exempt. Certainly not Canada. She is a sovereign nation and cannot take her attitude to the world docilely from Britain, or from the United States, or from anybody else. A Canadian's first loyalty is not to the British Commonwealth of Nations, but to Canada and to Canada's King, and those who deny this are doing, to my mind, a great disservice to the Commonwealth. If the Commonwealth, in a crisis, is to speak with one voice it will be only because the component parts have thought out for themselves their own special problems, and made their contribution to the discussion, so that a true common factor of policy can be reached. A sovereign people must, as part of its sovereign duty, take up its own attitude to world problems. The only question is whether that attitude shall be a wise and well-informed one or a short-sighted and ill-informed one. Therefore we need knowledge—exact knowledge—and it is one of the objects of this Institute to provide that.

"But we need something more. We must understand not only the facts about foreign nations, but their point of view. In the past we have been far too fond of blind antagonisms. The popular mind has been pro one nation or anti another, 'phil' one thing or 'phobe' something else, very largely out of a vague sentiment or prejudice.

"That attitude is impossible to-day. Things are too serious for mere prejudice and sentiment. There is a crying need everywhere for the right kind of propaganda. Propaganda can be a horrible thing when it means the dissemination of falsehood and bitterness. But it can be a very fine thing when it is directed towards a truer understanding by the nations of each other. We in Britain have been always rather bad at the job and have despised it, and consequently a good many absurd fallacies about ourselves have grown up in foreign countries. Now the supreme truth we have learned in recent years has been the interconnection of nations, the community of interests of the world at large, the truth that no country is prosperous because of its neighbours' misfortunes, but only because of its neighbours' well-being.

"But this truth by itself is valueless unless it leads to a fuller knowledge of those neighbours who matter so much to us. We want to understand their point of view. That does not mean necessarily that we should share it, for their point of view may be wrong; but if we have to fight it, we shall fight it all the better for understanding it.

"We must have more than knowledge; we must have sympathy. As someone has said, our problem is to make certain that the democracy in which we believe can live peaceably side by side with creeds which are not democratic. It is not for us to declare that we are the people, and that wisdom will die with us. Tolerance of other forms of

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government abroad should be part of every democrat's creed. There is a famous French proverb, 'Tout comprendre c'est tout pardonner'. That always seems to me slightly patronizing, and I prefer the form of Madame de Staël—'Tout comprendre nous rend très indulgents'. A great German philosopher once said truly that the essence of tragedy was not a clash between right and wrong, but a clash between two rights.

"I remember that my old friend, James Bryce, was never tired of insisting that there must be some element of truth, some kernel of honest idealism, in any creed which moves the heart of a large body of men, and that it was our duty to discover that kernel of truth, that element of value. This wise attitude seems to me especially important to-day. We see much in certain other countries which we dislike. But surely the right way is not blind condemnation, as if they had sold their souls to the devil. The Prime Minister said very truly the other day that he disliked the facile use of words like 'Fascism' and 'Communism' as terms of abuse, since the taunt of Fascism was used too often against a perfectly reasonable attempt to maintain law and order, and the taunt of Communism to decry some rational scheme of social reform. It is our business in studying the mind of foreign peoples to look for the kernel of truth, the element of value which must be there. It may be preposterously overstated, it may even be hopelessly perverted; but we shall be far better able to check its perversions and reduce folly to sanity if we recognize what is sound and true in it.

"The purpose which your Institute sets before itself is not merely to provide a limited number of cultivated men and women with accurate knowledge. It will help, I trust, here and in Britain to create that spirit without which a true internationalism is impossible. The League of Nations has not succeeded as we had hoped, because it had not an adequate spiritual force behind it. There was a famous church father in the middle ages, Bernard of Morlaix, who wrote a Latin hymn, some lines of which never cease to haunt my mind. 'Who will achieve universal peace?', he asks, and his answer is: 'The disciplined, the dedicated, the pure in heart and the gentle in spirit'. Every lawyer knows that the wisest law will not succeed unless it is in tune with the spirit of a people. If it is too far ahead of that spirit it will be a dead letter. No international mechanism which the wit of man can frame will succeed unless there is behind it, in the world at large, the proper temper of mind. To create and maintain this temper is the first duty of every civilized man."

The Hon. N. W. Rowell proposed the toast to the sister organizations—the Royal Institute of International Affairs, the Council on Foreign Relations, and the Institute of Pacific Relations. He spoke briefly of the work of the Royal Institute, noting particularly that it included in its programme study and research on Commonwealth relations. The Institute of Pacific Relations, he said, had contributed much to a better understanding of the problems of the Pacific. The Hon. Mr. Rowell complimented the Council on Foreign Relations on its publication of one of the most useful journals in the world dealing with foreign affairs. He referred to the intimacy of the relations between Canada and the United States which made American views of

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foreign affairs of the deepest concern to Canada, and noted that President Roosevelt's courageous Chicago speech had been read with profound interest by Canadians.

Sir Campbell Stuart, replying on behalf of the Royal Institute, congratulated the Canadian Institute on its accomplishments in its first ten years, and expressed the hope that the great work to which it had set its hand would help "to give the rising Canadian generation a true perspective of the part their country has played and can play in guiding and shaping the destinies of mankind".

Mr. Walter H. Mallory, of the Council on Foreign Relations, New York, expressed the hope that the collaboration between his organization and the Institute would be increased, and suggested that there were many problems in the foreign relations that were common to Canada and the United States which it would be profitable for the Institute and the Council to discuss jointly.

The Right Hon. W. L. Mackenzie King, Prime Minister of Canada, had not intended to give an address, but was prevailed upon to speak extempore. The Prime Minister expressed his gratitude to the Institute for its work in creating a body of public opinion well informed on questions of foreign affairs. "I am happy indeed", he said, "to enlarge the source of guidance and inspiration in respect to the shaping of the policies of our country in external relations to far beyond the Cabinet and to include in it the members of this great Institute. It has been of inestimable value to the Department of External Affairs to have had the able and informed addresses which from time to time have been given and publicized by members of the Institute. No man in Canada knows better than I do how necessary it is to have the truth spoken with reference to all that pertains to foreign nations, and no man knows better than I do in this country the harm that can be done by misrepresentation in whatever relates to relations with foreign countries. I have felt that more and more in the last two months than I have ever experienced in my public life."

In the course of his remarks the Prime Minister also said:

"I have been impressed with the fact that half the problems the Government are confronted with, dealing with external affairs, are created by some hasty word, some false rumour or report with respect to what has been done at Geneva or Ottawa.

"Some of us who are struggling with these questions of public affairs have the feeling that after all a little inquiry before criticism might help to save a great deal of false representation and misleading views in regard to existing situations, and I hope those who have to do with the understanding of international problems, if ever the opportunity presents itself, will do something to give to our own people and the peoples of other countries a kindlier interpretation rather than a harsh one, and then you will have gone a long way towards solving the problems of to-day. After all, the maintenance of peace is more dependent on the spirit that men exhibit in their thought and actions, and I believe that our country, with its intimate associations with the country to the south, with the great nations of the British Commonwealth, and above all with the British Isles, and with France and

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other countries, has within its power to give an interpretation to many of the situations that may arise that is not within the power of any other country to give. Let us not be afraid to do the things that will help our country to do its best and play its part in a way that will be for the good of all humanity."

Mr. Léon Mercier Gouin, proposing the toast to the Institute, declared that the policy of the Institute was to have no policy. In the Institute no member was forced to adopt any definite view. They simply tried to ascertain the facts and to adopt a "disinterested, scientific method" in their approach to international problems.

Mr. E. J. Tarr, K.C., the new president of the Institute, spoke of the unofficial conferences in which the Institute participated. Canadian delegates to such conferences had performed an important service to Canada by making Canada's position known, by acting as arbitrators on occasion, and by instructing others in the technique of Round Table discussion that had been developed in Canada. "There is no question", Mr. Tarr said, "that Canada has made and can make a worthwhile and distinctive type of contribution to international affairs, not because of superior qualities but because of different characteristics and different backgrounds. Knowledge is essential to progress and co-operation and I hope the Institute may be one of the constructive factors in our national life, making possible a creditable contribution by Canada in the realm of international affairs."

Mr. Brooke Claxton spoke briefly of the activities of the Montreal Branch and of the Institute in general.

Messages were read from Viscount Cecil, the Right Hon. R. B. Bennett, the Hon. Newton D. Baker, the Hon. Vincent Massey, and Mr. R. L. Buell, president of the Foreign Policy Association of the United States.

The chairman, Mr. Dafoe, in closing said that of all the disinterested work on which he had ever embarked his activities in connection with the Institute had come first. He felt that the Institute was performing a great service in bringing together people of conflicting views and promoting the spirit of understanding which is so necessary at this time.

With the speakers at the head table were the Hon. G. H. Sedgewick, K.C., the Hon. C. H. Cahan, K.C., M.P., Senator Beaubien, Sir Edward Beatty, G.B.E., Colonel Willis O'Connor, Major A. S. Redfern, and Mr. J. M. Macdonnell, chairman of the Executive Committee of the Institute.

Others present included: B. M. Alexandor, Professor H. F. Angus, C. T. Ballantyne, J. R. Ballantyne, John Basset, L. G. Beaubien, L. E. Beaulieu, K.C., L. J. Belnap, Jacques Bieler, Colonel O. M. Biggar, K.C., Gerald W. Birks, W. M. Birks, E. G. Black, E. H. Blake, Dr. W. H. Brittain, A. N. Budden, W. H. Budden, A. K. Cameron, E. M. Campbell, George A. Campbell, K.C., G. S. Challies, J. B. Challies, F. S. Chalmers, Murray Chipman, W. F. Chipman, K.C., W. McL. Clarke, Ross Clarkson, Colonel the Hon. H. Cockshutt, D. C. Coleman, F. B. Common, K.C., Senator Louis Coté, K.C., B. W. P. Coughlin, G. S. Currie, Norman J. Dawes, A. G. Dawson, LL.D., Professor J. P. Day, W. Roy Dillon, S. H. Dobell, S. G.

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Dobson, Jackson Dodds, Monteath Douglas, G. H. Duggan, D. A. Dunton, Dr. E. M. Eberts, Lieutenant-Colonel George H. Ellis, Philip Fisher, Andrew Fleming, Dr. A. Frigon, Harold Fry, A. Gérin-Lajoie, K.C., A. O. Gibbons, W. W. Goforth, H. C. Goldenberg, Sir Charles Gordon, K.B.E., Lieutenant-Colonel G. L. P. Grant-Suttie, C. E. Gravel, Dr. Fraser Gurd, John T. Hackett, K.C., Francis Hankin, L. W. Haslett, Charles Hébert, A. D. P. Heeney, Clinton Henderson, C. H. Herbert, Brigadier-General F. W. Hill, J. Hobbs, Senator A. K. Hugessen, K.C., G. M. Hyde, John M. Imrie, S. W. Jacobs, K.C., M.P., H. T. Jamieson, R. P. Jellett, F. I. Ker, I. W. Killam, A. L. Lawes, T. B. Macaulay, Ross Macdonald, L. R. MacGregor, Colonel C. S. MacInnes, Professor R. A. MacKay, Professor N. A. M. MacKenzie, the Hon. Mr. Justice MacKinnon, E. A. Macnutt, J. E. MacPherson, R. J. Magor, Hugh Mathewson, J. G. McConnell, J. W. McConnell, H. E. McCrudden, Bruce McDonald, George C. McDonald, R. S. McLaughlin, D. M. McLean, H. McLean, L. McLean, N. J. McLean, Ross H. McMaster, E. N. Mercer, Allan M. Mitchell, R. D. Mitchener, Colonel Herbert Molson, G. H. Montgomery, K.C., Henry Morgan, René Morin, Donald A. Morrell, J. Aird Nesbitt, S. R. Noble, S. C. Norsworthy, Sidney D. Pierce, Norman Prentice, L. E. Reford, Escott Reid, Jas. Richardson, W. W. Robinson, E. B. Rogers, P. W. Rolleston, John W. Ross, A. Savard, Ernest Savard, S. C. Scobell, the Hon. Gordon W. Scott, C. F. Sise, P. F. Sise, the Rev. A. Lloyd Smith, H. L. Smith, F. N. Southam, G. W. Spinney, J. E. W. Stephenson, Arthur Surveyer, the Hon. Mr. Justice Surveyer, H. J. Symington, K.C., Leslie Thomson, Rielle Thomson, H. P. Thornhill, R. A. Timmins, E. A. Walford, Hugh M. Wallis, A. C. Walwyn, V. C. Wansborough, Senator Webster, James Wilson, Morris W. Wilson, Eric Wiseman.

The dinner was arranged by Mr. Brooke Claxton and a committee of the Montreal Branch, to whom the thanks of the Institute are due.

NATIONAL COUNCIL MEETING, MONTREAL, OCTOBER 12

The Annual Meeting of the National Council was held in Montreal on October 12, with 24 members representing 10 branches present. Routine business and questions of policy were considered. It was reported that the total membership of the Institute at October 1 was 920.

The following officers and committee members were elected for the two-year period 1937-9:

Honorary Presidents: The Hon. N. W. Rowell, The Hon. Senator Raoul Dandurand, K.C., The Hon. Vincent Massey, and Mr. J. W. Dafoe.

President: E. J. Tarr, K.C.

Vice-Presidents: The Hon. Senator Louis Coté, Colonel C. S. MacInnes, C.M.G., K.C., Messrs. W. M. Birks, John M. Imrie, J. M. Macdonnell, Arthur Surveyer, J. S. McLean.

Honorary Treasurer: Mr. Norman J. McLean.

Chairman, Research Committee: Professor N. A. M. MacKenzie.

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Co-opted Members of Council: Lieutenant-Colonel G. L. P. Grant-Suttie, Messrs. E. H. Blake, Floyd S. Chalmers, G. deT. Glazebrook, F. R. Scott.

Executive Committee: Mr. J. M. Macdonnell (*Chairman*), Mr. E. J. Tarr, K.C. (*ex officio*), Mr. Norman J. McLean (*ex officio*), Professor N. A. M. MacKenzie (*ex officio*), the Hon. George H. Sedgewick, Lieutenant-Colonel G. L. P. Grant-Suttie, Messrs. E. H. Blake, Floyd S. Chalmers, Brooke Claxton, F. R. Scott, Arthur Surveyer.

The Executive Committee was authorized to appoint the Research Committee for the two-year period.

The Council adopted several amendments to the Constitution. The following section was added to the Article on Publications:

> Article III (2). No Branch or individual member of the Institute shall publish anything bearing the imprint of the Institute or purporting to be issued under the authority or auspices of the Institute unless and until such proposed publication shall have received the approval of the National Council.

Other sections were amended to read as follows:

> Article V (3). The National Council may elect as members-at-large suitably qualified persons who are proposed and seconded by two members of the Institute to whom they are personally known. But such election will not entitle them to any rights or privileges in any Branch, save those extended to them by a Branch on its own initiative.[1]
>
> Article VIII (2). Any member of the National Council may attend and vote at a meeting of the Executive Committee.
>
> Article VIII (4). Copies of notices and minutes of meetings of the Executive Committee shall be sent to all Branches, to all members of the Executive Committee and to those members of the Council who inform the national secretary that they desire to receive them.

At the conclusion of the meeting the gratitude of the Council was expressed to the retiring president, Mr. Dafoe, for his unselfish services to the Institute since its inception and particularly for his services as president during the past two years. The very considerable progress made during that period has been due in large measure to Mr. Dafoe.

SPEAKERS

The question of bringing out a speaker from England to visit all the branches this winter is under consideration. At the recent Council meeting it was agreed that such a speaker should be in general a supporter of the present British government's policy, but not a "white-washer". The names of several speakers have been considered, but no definite invitation has yet been extended.

BRITISH COMMONWEALTH RELATIONS CONFERENCE, 1938

The agenda for the second Commonwealth Relations Conference, which is to be held in Sydney, Australia, in September, 1938, is being

[1]The secretary was instructed to note in the minutes that the Council does not intend to elect as members-at-large *men* who live in localities where a Branch of the Institute is established.

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sent with this number of the *C.I.I.A. Notes* to all members of the Institute. Mr. E. J. Tarr has been appointed chairman of the Canadian delegation. He has already addressed all of the branches on the subject of the conference. Professor F. R. Scott has written the principal data paper for the conference, the first draft of which is now being sent out. It is hoped that each Branch will organize one or more groups to study and criticize this draft report and then go on to study more intensively one or more of the topics on the conference agenda.

The Council is exceedingly anxious that the Institute send a delegation representative of all points of view and able to present those points of view effectively. The selection committee requests that any Institute member prepared to make suggestions as to the personnel of the delegation forward them as soon as possible to the acting national secretary.

CANADA'S FOREIGN POLICY

Publication of the book on *Canada's Foreign Policy*, by Dr. R. A. MacKay and Mr. E. B. Rogers, has been delayed until the new year. The book will contain chapters on the geographic, economic, and demographic conditions in the light of which both internal and external policy must be formulated. The historical section comprises chapters on Canada's relations with the Empire, the League, the United States, the Far East, and the U.S.S.R. There will also be a section devoted to constitutional questions—the actual conduct of external affairs, the treaty power, and the question of neutrality. Finally, there will be a consideration of the alternative policies that Canada might pursue.

INTERNATIONAL STUDIES CONFERENCE

At the National Council meeting in Montreal considerable attention was given to the question of the Institute's participation in the work of the International Studies Conference. The delegates to the recent conference in Paris felt that it would have been much more successful if it had been better organized. In spite of their disappointment, however, they considered that the delegation had rendered an important service to Canada by explaining the Canadian attitude towards certain questions, notably immigration. They were of the opinion that continued participation would be well worth while since the conference was looking towards the better organization of the world community, because the necessity of preparing data papers caused members of the Institute to study international questions that they might otherwise overlook, and because delegates brought home with them much information which, when propagated, contributed towards better understanding. Dr. MacKay agreed to write a memorandum on the origin and work of the International Studies Conference which will be sent to Branch secretaries, from whom members interested will be able to obtain copies.

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STUDY GROUPS

This year the study groups of the Institute will be paying particular attention to problems of British Commonwealth Relations, first studying and criticizing Professor Scott's draft data paper for the Commonwealth Relations Conference next year, and then studying in detail one or more of the sub-divisions of the conference agenda. Most of the Branches have already organized groups to study Professor Scott's report and the Winnipeg group will probably divide into two or three sub-groups to study particular topics. Other Branches are planning to have study groups or Round Tables as follows: *Montreal:* Canada and the Problem of the International Labour Unions; *Ottawa:* Canada and the Far East; *Toronto:* (1) The Constitution, (2) Taxation Problems; *Victoria:* Canadian-American Relations (tentative).

ARTICLES OF INTEREST

Members of the Institute may be interested in an article on "The Imperial Conference, 1937", by Mr. J. W. Dafoe, which appears in the October number of the *University of Toronto Quarterly*.

The June number of the *Canadian Bar Review* is devoted to articles on the constitution and on the treaty-making power.

RECENT I. P. R. PUBLICATIONS

The Legal Status of Aliens in Pacific Countries: An international survey of law and practice concerning immigration, naturalization and deportation of aliens and their legal rights and disabilities. *Edited by* NORMAN MACKENZIE, Professor of Public and Private International Law, University of Toronto. 1937. London: Oxford University Press. xii+374 pp. ($6.25; to members of the Institute, $5.00 + postage).

The Problem of Peaceful Change in the Pacific Area: A study of the work of the Institute of Pacific Relations and its bearing on the problem of peaceful change. *By* HENRY F. ANGUS, Professor of Economics, University of British Columbia. 1937. London: Oxford University Press; Shanghai: Kelly and Walsh. vii+193 pp. ($1.75; to members of the Institute, $1.40+postage).

Problems of the Pacific 1936. The proceedings of the sixth conference of the Institute of Pacific Relations, on "Aims and results of social and economic policies in Pacific countries". *Edited by* W. L. HOLLAND *and* KATE MITCHELL, *assisted by* HARRIET MOORE *and* RICHARD PYKE. 1937. London: Oxford University Press. ix+470 pp. ($6.25; to members of the Institute, $5.00+postage).

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THE FAR EASTERN CRISIS [redacted]

Mr. William Strange's book, *Canada: The Pacific and War*, has been published by Thos. Nelson's under the auspices of the C.I.I.A. (Price $1.75; to members of the Institute, $1.40).

An excellent bibliography of the background of the far eastern conflict is to be found in the October number of *Amerasia* (Amerasia, Inc., 125 East 52nd Street, New York, 25 cents a copy, $2.50 a year). The American Council of the I.P.R. is publishing useful articles in its fortnightly *Far Eastern Survey* (129 East 52nd Street, New York, 25 cents a copy, $2.50 a year). *Pacific Affairs*, the quarterly journal of the I.P.R., also contains articles that will help to an understanding of the issues involved.

THE ROWELL COMMISSION

Four of the five members of the Royal Commission on Dominion-Provincial Relations are members of the Institute. The Hon. Mr. Rowell and Mr. Dafoe are Honorary Presidents; Professor Angus is a member of the National Council; and Dr. MacKay is a member of the Research Committee. Since the Commission will be holding sittings in all parts of the country, the various branches will probably have the opportunity of hearing one or other of its members.

NATIONAL SECRETARY

The national secretary, Mr. Escott Reid, has been granted leave of absence until May, 1938, to enable him to take the place of Dr. R. A. MacKay of Dalhousie University, whose duties as a member of the Royal Commission on Dominion-Provincial Relations compel him to relinquish his academic post for a year. Mr. Reid's place is being taken by Mr. E. B. Rogers, of Charlottetown, who has been assisting Dr. MacKay with his forthcoming book on *Canada's Foreign Policy*.

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Governors-General
"Tweedsmuir"

(JOHN E. READ TO W.L.M.K.)

[redacted]
Governor General
Lord Tweedsmuir

C150428

MEMORANDUM FOR THE PRIME MINISTER

MEMORANDUM CONCERNING A SPEECH OF HIS EXCELLENCY THE GOVERNOR-GENERAL, DELIVERED AT THE ANNIVERSARY DINNER OF THE CANADIAN INSTITUTE OF INTERNATIONAL AFFAIRS AT MONTREAL, OCTOBER 12TH, 1937.

January 7, 1938.
J.E.R.

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5,1938.

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Memorandum concerning a Speech of His Excellency the Governor-General, delivered at the Anniversary Dinner of the Canadian Institute of International Affairs at Montreal, October 12th, 1937

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1. This speech was delivered at the dinner in Montreal, given to celebrate the tenth anniversary of the founding of the Institute. The Institute is an organization with branches in the more important Canadian urban centres. The membership consists of Canadians who are interested in the study of international affairs. It is not a political organization. It provides a place where international questions are considered and discussed without prejudice.

2. The Anniversary Dinner provided an occasion for reviewing the nature of the activities of the Institute and for appraising their value to the members and to the country. The statements made by Mr. Dafoe, by the Chief Justice of Ontario, by Sir Campbell Stuart, Mr. Mallory, Mr. Mackenzie King, Mr. Gouin, Mr. Tarr and Mr. Claxton, indicate the

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general theme of the discussion. In the circumstances it was inevitable that His Excellency, an original member of the Royal Institute, should talk about the character of the Institute's activities, the approach to the studies conducted by its members, and its relationship to the country.

3. A copy of the Report is annexed, containing the text of His Excellency's speech. An examination of the speech as a whole in its setting, makes it perfectly clear that it could not fairly be criticised unless His Excellency is to be restricted to colourless comments upon the weather, on art and on literature.

4. Severe criticisms have been made by extracting a sentence or two from the speech, disregarding the context and the occasion and stressing the meaning of isolated phrases.

5. The most serious attacks have been made by the Hon. C. H. Cahan in an address before the Montreal members of the Royal Empire Society, October 29, 1937, by Mr. John Bassett, the publisher of the

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Montreal Gazette, in addressing the Association of Canadian Advertisers on December 10th, and by the Telegraph-Journal of St. John, December 2nd.

6. Objections to the speech are largely based upon excerpts from the following two paragraphs:

> "This attitude must be mainly determined by the citizens themselves. The day has gone when foreign policy can be the preserve of a group of officials at the foreign office, or a small social class, or a narrow clique of statesmen from whom the rest of the nation obediently takes its cue. Today the problems affect us all too vitally in our private interests. The foreign policy of a democracy must be the cumulative views of individual citizens, and if these views are to be sound they must in turn be the consequence of a widely diffused knowledge.
>
> "From this duty no country is exempt. Certainly not Canada. She is a sovereign nation and cannot take her attitude to the world docilely from Britain, or from the United States, or from anybody else. A Canadian's first loyalty is not to the British Commonwealth of Nations, but to Canada and to Canada's King, and those who deny this are doing, to my mind, a great disservice to the Commonwealth. If the Commonwealth, in a crisis, is to speak with one voice it will be only because the component parts have thought out for themselves their own special problems, and made their contribution to the discussion, so that a true common factor of policy can be reached. A sovereign people must, as part of its sovereign duty, take up its own attitude to world problems. The only question is whether that attitude shall be a

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"wise and well-informed one or a short-sighted and ill-informed one. Therefore we need knowledge - exact knowledge - and it is one of the objects of this Institute to provide that."

7. Mr. Cahan's objection is largely directed to the sentence which reads:

"A Canadian's first loyalty is not to the British Commonwealth of Nations but to Canada and to Canada's King, and those who deny this are doing, to my mind, a great disservice to the Commonwealth."

The objection is based upon the view that there can be no division of loyalty, that the Crown is indivisible, and that, while the King is King of the Canadians, he is not King of Canada. The last conclusion is supported by a lengthy analysis of the B.N.A. Act. It is also based upon a recital of the resolutions of the Imperial Conferences of 1923 and 1926, stressing particularly the obligation for consultation in international relations dealing with matters of common interest. Reference is made to the statement in the Imperial Conference Report of 1926 as to the large share of Great Britain in foreign affairs and defence, and to the provisions of the Statute of Westminster, especially the recital dealing with the question of alteration in the law touching

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the Succession to the Throne and the Royal Style and Titles. Mr. Cahan takes the view that loyalty to the Commonwealth implies strict fidelity to the constitutional conventions which its members have now undertaken or may hereafter undertake. He stresses the need for cooperation and collective action and for unity in the administration of the common interests of the Commonwealth. He suggests the interchange of High Commissioners, whose chief duty should be to assist in developing, as far as possible, a joint policy in respect of all international affairs of common interest in the Empire.

Mr. Bassett's criticism is similar in character.

The position taken by the Telegraph-Journal is a typical statement of a staunch Imperialistic point of view.

8. The strength of Mr. Cahan's position is in its apparent foundation upon the Constitution. Its weakness is based on its neglect of a simple, but fundamental, legal principle.

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International relations are within the scope of the Royal Prerogative. Neither the Parliament at Westminster nor the Parliament of Canada has, to any noticeable extent, entrenched upon the prerogative power of the King in the conduct of international relations or in the exercise of the treaty-making power. Both in Colonial times and at present, international relations have been conducted by and in the name of the King. In so far as legal power is concerned, governments and parliaments do not enter into the picture. Parliament could step in and entrench upon the power but it has not done so.

It has become a recognized convention of the constitution that the King does not act of his own motion in the conduct of international affairs. He acts on the advice of his Ministers, and the constitutional changes which have taken place have largely consisted of changes in the practice of advising the King in the exercise of his prerogative power.

In Colonial times the King acted upon the advice of his Ministers at Downing Street in matters which concerned Great Britain or Canada. Today, the King acts in matters which concern Canada in accordance with the advice of his Canadian Ministers. Legally,

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there has been no change; constitutionally there has been a fundamental change whereby the King seeks the advice of his Ministers in Ottawa, rather than the advice of his Ministers in London. There are matters that concern both London and Ottawa and, in such cases, the King acts upon their joint or several advice.

Mr. Cahan makes much of the point that there are certain things that the Canadian Government cannot do, but he ignores the point that, in corresponding matters, the Ministers in the United Kingdom are equally impotent. For example, he states:

> "In effect Canada may not declare war nor proclaim her neutrality nor make peace independently in any war in which the United Kingdom is involved without thereby declaring her secession from the British Commonwealth of which Canada now forms an integral part."

He overlooks the fact that the United Kingdom may not declare war nor proclaim her neutrality nor make peace independently in any war in which Canada is involved without thereby declaring the secession of the United Kingdom from the Commonwealth. He is prepared to deny to a Canadian the privilege or obligation of loyalty to Canada, but it is doubtful whether he would condemn in equal terms the loyalty of an Englishman or a Scotsman

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to Great Britain. He is prepared to question the privilege or obligation of the Canadian to consider international problems in the light of his loyalty to Canada, but one wonders whether he would have the Englishman or Scotsman disregard his loyalty to the United Kingdom in the consideration of international problems.

9. The following points require special consideration:

(a) Can the question be raised in the House?

It is clear that no member may speak disrespectfully of the Governor General (Beauchesne, Parliamentary Rules and Forms, Rule 19; Standing Orders of the House of Commons, No. 41).

It is also clear that any allusion to the personal views of the King or of the Governor General, in such a manner as would influence the judgment of members, would be contrary to the Rules of the House (Anson, Law and Custom of the Constitution, 5th Ed. Vol. 1, pp. 332, 333). (Bourinot, Parliamentary Procedure and Practice,

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2nd Ed., pp. 410, 411.)

On the other hand, Bourinot points out that it is not unusual in the Canadian House for the Leader of the Government to make statements with reference to the relations between the Cabinet and His Excellency the Governor General, or in answer to false reports in the public press.

There seems, however, to be no rule preventing a discussion by Parliament of the action of the Sovereign or of his representative. While such a debate, obviously, should not be lightly undertaken, the authority of Parliament to discuss royal acts or statements, is an essential part of our constitutional system. The Stuart period is replete with precedents, but we do not need to go back much more than a year to the time of the abdication, to find instances of discussion in all of the Parliaments of royal acts or proposals.

Accordingly, while it would be most undesirable to adopt any course of action that

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would interfere with the power of Parliament to debate royal or vice-regal conduct or statement, it might well be urged that the exercise of such power should be reserved for serious matters.

(b) Assuming that the question can be raised in the House, what courses of action are open to the Government?

There are three courses of action available:-

(i) <u>Complete responsibility could be assumed ab initio.</u>

This course would involve assumption that the Governor General's speech had been previously authorized by the Cabinet as a statement of governmental policy, either by its having been prepared by the Government, or submitted before-hand by the Governor General, and approved. This assumption is probably untenable in fact.

This course is also open to the serious objection that it would not be in accordance with constitutional practice for the Crown to express the views of the Government on questions of policy, save in the Speech from the Throne and other formal

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communications to Parliament which are sanctioned by usage.

(ii) <u>The Government could accept responsibility for the Governor General's Statement.</u>

It is clear that the statement is defensible, and sets forth the present constitutional position.

On the other hand, it is equally clear that the making of a defensible statement in a controversial matter would not be justifiable. This course would, therefore, be unsatisfactory and would be open to the same general objection as the preceding course.

(iii) <u>The Government could, without accepting responsibility for the Governor General's statement, take the position that the Governor General was justified in discussing a matter of this sort and in expressing his personal views.</u>

This position would be open to the Government, whether or not the speech had been previously examined and approved. In such a case, the previous examination would necessarily be restricted to determining whether the matter was controversial, and would not carry with it governmental approval. For example, assuming a case in which the Governor-General proposed to deliver a speech, the subject

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matter being Etruscan Art, an examination by the Government would involve a finding that the subject matter was suitable, rather than approval of his aesthetic opinions.

It is clear that the Governor General can, with propriety, discuss non-political matters and non-controversial political matters. It is equally clear that he cannot properly discuss controversial political matters.

Setting aside, for the moment, non-political topics, such as art, literature, etc., and considering only the topics which may have some political aspects, the Governor General is faced with a line of demarcation which is easily defined, but not so readily determined in practice.

It is clear that the Governor General can talk generally about the state of the world, international affairs, loyalty, patriotism, and general historical, political, and economic questions. In so doing, he is bound to avoid those aspects of the questions which are currently in controversy. He must not over-step the line between that which is controversial and which is not controversial.

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Bearing in mind the nature of his task, it is submitted that he can only be brought to task if he shows bad faith or negligence in over-stepping the line of demarcation.

Bringing these principles to bear upon the present case, it is clear that there has been no question of bad faith or negligence on the part of the Governor General. He was talking about a subject matter which no fair-minded Canadian would have regarded as being a matter of political controversy in our day and generation. He was discussing one aspect of this subject matter, namely the conception of loyalty, which, again, no fair-minded Canadian would have regarded as being a matter now in controversy. He expressed his opinion, which was in accord with the definitely expressed views of the leaders of the Canadian parties on both sides of the House, entirely in accordance with the principles expressed and practiced by his principal critic, and in complete harmony with the present position of Canada as established by legislation, by resolutions of Imperial Conferences and by the practice of successive governments.

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It is submitted that the Governor General cannot, in any way, be criticized, by reason of the fact that his very clear statement of a commonly-held Canadian viewpoint happened to fan the ebbing fires of an effete colonialism and cause them to emit a few straggling sparks.

The revival of the controversy by Mr. Cahan, Mr. Bassett and the St. John Telegraph Journal creates a situation in which it would be obviously inappropriate for the Governor General to discuss the matter at the present time,- a matter which was non-controversial last October is now controversial. But the subsequent emergence of the controversy cannot now vitiate action which was right on the 12th October, 1937.

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Supplementary Note

In one sense, the soundness of the Governor General's opinion is not a relevant issue. A similar question was raised by the late John S. Ewart when he criticized Earl Grey for the advocacy of Imperialistic views. Mr. Ewart said:

> "Some Imperialists will not agree with what I have said. They will urge that Lord Grey's views are right. I reply that that is not the point. If Lord Grey advocated Nationalism, I should say that his views were right, but I should agree that advocacy of them by him was wrong. It may be said that the questions involved are of the highest and most vital importance. That is true. But His Excellency is precluded by his office from discussing them. The only argument in favour of appointing an Englishman rather than a Canadian to the headship of our Government is that he is supposed to be able on that account to act a more impartial part, and to keep more aloof from political strife."

There is, however, another aspect of the problem. Without questioning Mr. Ewart's opinion, it may be pointed out that it is impracticable to avoid consideration of the soundness of the Governor General's views in determining the more directly relevant issue as to whether they were controversial in character.

In approaching this problem, it is difficult to find any direct indication of the views

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of political leaders and any direct treatment, either by constitutional authorities or by governmental conferences.

Taking the sentence of the Governor General's, upon which attention has been focused, it will be observed that it discusses the question of a Canadian's first loyalty and the character of the Kingship.

Considering, first, the question of a Canadian's first loyalty, it may be observed that the matter does not appear to have been directly dealt with in any of the resolutions of the Imperial Conferences, or of the Conference on the Operation of Dominion Legislation.

There have been ample discussions of national status. There is definite recognition of the conception of nationality as expressing the relationship between the individual and the member of the British Commonwealth to which that individual belongs. Reference may here be made to paragraphs 73 to 79 of the Report of the Conference on the Operation of Dominion Legislation 1929 and to Section VI (b) of the Summary of Proceedings of the Imperial Conference 1930, and to the Summary of

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Proceedings of the Imperial Conference 1937, at pp. 23 to 26 inclusive. It is also recognized that the members of the Commonwealth are united by a common allegiance to the Crown and that this allegiance is the basis of the common status possessed by all subjects of His Majesty (O.D.L. Report 1929, Para. 75). This common status is described by the term "British Subject" which does not mean "subject of Great Britain". It is a term of long-standing, and denotes, generally, all subjects of His Majesty, to whatever part of the British Commonwealth they belong (I.C. Report 1937, p.23). Bearing in mind the endorsation of the 1929 and 1930 reports by the Parliament of Canada and by all parties, the existence of the two types of status is clearly recognized.

The question of allegiance has also been dealt with in explicit terms. In the Summary of Proceedings of the Imperial Conference 1926, is to be found the statement as to the position and mutual relation of Great Britain and the Dominions,

> "They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown and freely associated as members of the British Commonwealth of Nations". (p.14).

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Reference has already been made to Para. 75 of the O.D.L. Report 1929, where it is pointed out that the common allegiance to the Crown of the members of the Commonwealth, is the basis of the common status possessed by all subjects of His Majesty.

The universal acceptance of this conception is further indicated by the second recital of the Statute of Westminster, dealing with the question of alteration in the law touching the succession to the Throne:

> "And whereas it is meet and proper to set out by way of preamble to this Act that, inasmuch as the Crown is the symbol of the free association of the members of the British Commonwealth of Nations, and as they are united by a common allegiance to the Crown, it would be in accord with the established constitutional position of all the members of the Commonwealth in relation to one another that any alteration in the law touching the Succession to the Throne or the Royal Style and Titles shall hereafter require the assent as well of the Parliaments of all the Dominions as of the Parliament of the United Kingdom:"

The national status of individuals and the conception of the common allegiance to the Crown of the members of the British Commonwealth, have been specifically and completely dealt with. On the other hand, there does not appear to be any discussion of the conception of loyalty. Loyalty, of course, is not a matter for the lawyers or the constitutional pundits,

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it is a moral and emotional response of a human being to the traditions, environment and political and constitutional circumstances in which he lives. It may reasonably be assumed that the politicians and constitutional authorities felt hesitant about the attempt to give authoritative definition to the conception of loyalty.

Similarly, a cursory search of the pronouncements of Canadian public men fails to disclose any discussion of loyalty as such.

On the other hand, a study of the pronouncements of Canadian public men shows plainly that the corner stone of their political philosophy and practice is a deep and abiding loyalty to Canada.

Mr.Cahan's speech on the Sino-Japanese situation (Hansard 1932-1933, Vol. 5, May 16, 1933; pp. 5059-5067) is an excellent example. The general tenor of his speech, dealing with matters of high policy, involving issues of peace and war, makes it very clear that his acts and words at Geneva were determined by loyalty to Canada and to Canada's King:

> " . . . I deemed it expedient at the special assembly in December last to refer to Canada's now historic point of view, inasmuch as it was then evident that there were delegates

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"from some of the recently organized states of Europe, who foresee that coming events may place their own state boundaries in jeopardy, and who were disposed to press for an arbitrary condemnation of Japan and the premature enforcement, in their interests, of the sanctions prescribed by the provisions of article 16.

I would like to suggest that one occupying the position I did, representing Canada and standing before that assembly of representatives from all parts of the world, must necessarily feel a great responsibility indeed, in view of the fact that to attain the ultimate end sought by many of the delegates might have involved placing upon Canada the responsibility of again sending her military forces into the far east for the preservation of peace in Manchuria. And knowing as I did, the historic development of opinion in Canada with regard to article 10, I conceived it my bounden duty to state to that assembly what I believed to be the prevailing public opinion in Canada which has been accepted and endorsed by each successive government in our country, in order that there might be no misapprehension as to the position which I as a delegate of Canada was then taking.

Article 16 would involve:

> The severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant breaking state, and the prevention of all financial, commercial or personal intercourse between the nationals of the covenant breaking state and the nationals of any other state, whether a member of the league or not."

The same observations could be made with regard to Mr. Bennett's speech (See Hansard 1936, Vol. 4, June 18, 1936, pp. 3894-3895):

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". . . Why should we take some action just because some other nation has? Why should we determine that we shall abandon sanctions because some other nation is about to do so?

"An hon. Member: Because Great Britain has.

"Mr. Bennett: If Great Britain abandoned sanctions Great Britain has good reasons. What reasons are there that we should do the same? Our peace is not disturbed; our shores are not invaded.

"Mr. Mackenzie (Vancouver): It would be entirely ineffective.

"Mr. Bennett: Not as far as Canada is concerned. It would lessen our trade; it would prevent Italy from receiving from us certain commodities that she otherwise would receive, but we should stand as an example to the world that a new democracy is blazing for itself a new pathway of rectitude in regard to a position which she had accepted under the League of Nations. That is what it would mean. One may say that that is absurd; that one nation does not count, especially on the north American continent. Ah, well, example is very great. We being a small power in numbers, without military equipment that could possibly be utilized in any prospect of war, whether on sea or on land or in the air, that was eliminated in the very first discussion which took place. Then why should we acquiesce when we have no complications in our national life such as the nations in Europe have?

There is, of course, no need to refer to the pronouncements of the leaders of the other opposition parties. Without expressing any approval or disapproval of their policies, it can be stated that no person would ever suggest that their political philosophy was founded upon anything other than loyalty to Canada. Accordingly,

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it could reasonably be assumed by the Governor General, at the date of the address, that there was general agreement by all political parties on the question of loyalty to Canada. The subsequent emergence of controversy is an irrelevant consideration.

The other aspect of the Governor General's statement, to which exception has been taken, namely, that a Canadian's first loyalty is to Canada's King, is subject to somewhat different considerations. It is submitted that the critics have failed to understand the plain meaning of the Governor General's words. It is probable that they did not have access to a proper text of the speech, and it is almost certain that they did not have access to a complete report of the other speeches delivered on the same occasion.

The Governor General's statement cannot properly be interpreted as a negation of sovereignty on the part of King George VI over the United Kingdom or over any other part of His Majesty's dominions. It can only properly be interpreted as stressing the fact that King George VI is King of Canada, As such, he is entitled to the allegiance of all Canadians. As a result of this allegiance, there is undoubtedly an obligation

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of loyalty on the part of Canadians to their King. Certainly, it is a matter of actual fact that loyalty exists and has been abundantly evidenced in word and in deed. The provisions of the Statute of Westminster, the King's title, the abdication legislation, the terms of the coronation oath as revised, all emphasize the aspect of the kingship upon which the Governor General directed his attention in the sentence which has been criticized.

There has been, of course, some controversy among the lawyers and constitutional authorities with regard to the divisibility or the indivisibility of the kingship. It is probable that the Governor General's critics had this controversy in mind and that they regarded his statement as tending towards one side or another of this controversy. There is no reasonable interpretation of the Governor General's statement which would draw it within the field of that controversy. It is a simple statement by a person who is not a constitutional expert, of a simple fact. There is no indication that the speaker was even aware of the existence of this constitutional controversy and it is most unfair to suggest that he was in any sense taking sides. It is submitted

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that no Governor General should be criticized for a statement with regard to a simple fact, with a simple meaning comprehensible to all ordinary men, merely by reason of the fact that it may be possible to drag that simple statement, by means of implications comprehensible only to a few experts, into the field of constitutional controversy.

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CANADIAN INSTITUTE OF INTERNATIONAL AFFAIRS
43 ST. GEORGE ST., TORONTO

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C. I. I. A. NOTES

NOVEMBER, 1937 No. 3

FOREWORD

By E. J. Tarr, K.C.
President of the Institute

Distances are so great in Canada that if a nation-wide organization like the Institute is to operate as a unit it is almost inevitable that a great many decisions be taken by a small group of those who are not in close contact with more than two or three of the branches. In these circumstances we should guard against the danger of the central organization—the National Council, the Executive Committee, the Research Committee, and the office of the national secretary—losing touch with the needs and desires of the branches and of the individual members. It cannot be emphasized too strongly that the central organization should represent and serve the interests and needs of the branches and individuals of which the Institute is composed. It follows that branches and individual members should feel under obligation to exercise an unrestricted right of comment and criticism, though it should always be borne in mind that criticism to be effective should be constructive. Unless opinions are expressed and suggestions freely offered, the possible usefulness of the central committees will not be fully achieved, through no fault of their own but rather because of the neglect of branches and individuals.

ANNIVERSARY DINNER, MONTREAL, OCTOBER 12, 1937

The Institute celebrated the tenth anniversary of its founding at a dinner at the Ritz Carlton Hotel, Montreal, on October 12. His Excellency the Governor-General was present and delivered the principal address. The Right Hon. W. L. Mackenzie King, Prime Minister of Canada; the Hon. N. W. Rowell, Chief Justice of Ontario; Sir Campbell Stuart, representing the Royal Institute of International Affairs; Mr. W. H. Mallory, representing the Council on Foreign Relations, New York; Mr. Léon Mercier Gouin; Mr. J. W. Dafoe, the retiring president of the Institute; Mr. E. J. Tarr, the new president; and Mr. Brooke Claxton, chairman of the Montreal Branch, also spoke. Mr. Dafoe presided.

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In his opening remarks, Mr. Dafoe recalled the meeting, held nearly ten years ago at the home of Sir Robert Borden in Ottawa, at which the Canadian Institute of International Affairs had been organized. That meeting, he said, was an event of national importance. He referred to the great part played by Sir Robert Borden in building up the Institute, and to the work of John Nelson, the real founder of the Institute, whose efforts had been directed for two years to the establishment of an organization in Canada which would be affiliated with the Institute of Pacific Relations and the Royal Institute of International Affairs. Mr. Dafoe then called upon one of the original members of the Royal Institute, John Buchan, "under his well-known alias of Lord Tweedsmuir", to give an address.

His Excellency spoke as follows:

"I am very glad to be here to-night. This is the first occasion on which I have had the privilege of meeting the members of your Institute of International Affairs. A Governor-General, I need hardly remind you, has to walk warily. In the domestic affairs of the country where he represents the King, he can have no views on policy except those of his ministers. And even on international questions he is in a position of some delicacy, for to-day international problems have the unhappy knack of also becoming domestic problems and dividing people into party groups.

"So, gentlemen, to-night you will not hear from me any views on international policy. I have my views, of course, but at present they are not for publication. But there is one thing on which I can speak frankly. The purpose of your organization is study. You are a forum for discussion, not an agency for propaganda. Your business is to acquire expert knowledge about the data on which policies must be framed. Now, that is a purpose whose value is altogether beyond question. No policy is of any use unless it is adequate to the facts, and the first duty of the citizen is to inform himself of the facts.

"In the old days in Britain foreign affairs were very largely a matter of platitudes and sentiment. We were moderately disturbed by matters like the Risorgimento in Italy and by Turkish misrule in the Near East. A great orator like Mr. Gladstone could arouse the emotions of his countrymen to a high pitch over such matters. Foreign questions, too, now and then seemed to threaten the safety of the Empire's frontiers, and to arouse patriotic anxieties. But these occasions were not very numerous. On the whole, one may say that till thirty or forty years ago foreign affairs had only an academic interest for the ordinary British citizen.

"How different it is to-day! The world has been telescoped, distances have shrunk, and every nation is in some kind of uneasy bondage to the others. What is happening three thousand miles away may have a direct effect upon the safety and prosperity of the private citizen. Therefore every nation must have a foreign policy in the sense that it must consider its position vis-à-vis the world at large. No country can seclude itself and declare that it will go its own way without troubling its head over what other people are doing. Its political security, its economic prosperity, compels it to have some reasoned attitude towards the outer world.

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"This attitude must be mainly determined by the citizens themselves. The day has gone when foreign policy can be the preserve of a group of officials at the foreign office, or a small social class, or a narrow clique of statesmen from whom the rest of the nation obediently takes its cue. To-day the problems affect us all too vitally in our private interests. The foreign policy of a democracy must be the cumulative views of individual citizens, and if these views are to be sound they must in turn be the consequence of a widely diffused knowledge.

"From this duty no country is exempt. Certainly not Canada. She is a sovereign nation and cannot take her attitude to the world docilely from Britain, or from the United States, or from anybody else. A Canadian's first loyalty is not to the British Commonwealth of Nations, but to Canada and to Canada's King, and those who deny this are doing, to my mind, a great disservice to the Commonwealth. If the Commonwealth, in a crisis, is to speak with one voice it will be only because the component parts have thought out for themselves their own special problems, and made their contribution to the discussion, so that a true common factor of policy can be reached. A sovereign people must, as part of its sovereign duty, take up its own attitude to world problems. The only question is whether that attitude shall be a wise and well-informed one or a short-sighted and ill-informed one. Therefore we need knowledge—exact knowledge—and it is one of the objects of this Institute to provide that.

"But we need something more. We must understand not only the facts about foreign nations, but their point of view. In the past we have been far too fond of blind antagonisms. The popular mind has been pro one nation or anti another, 'phil' one thing or 'phobe' something else, very largely out of a vague sentiment or prejudice.

"That attitude is impossible to-day. Things are too serious for mere prejudice and sentiment. There is a crying need everywhere for the right kind of propaganda. Propaganda can be a horrible thing when it means the dissemination of falsehood and bitterness. But it can be a very fine thing when it is directed towards a truer understanding by the nations of each other. We in Britain have been always rather bad at the job and have despised it, and consequently a good many absurd fallacies about ourselves have grown up in foreign countries. Now the supreme truth we have learned in recent years has been the interconnection of nations, the community of interests of the world at large, the truth that no country is prosperous because of its neighbours' misfortunes, but only because of its neighbours' well-being.

"But this truth by itself is valueless unless it leads to a fuller knowledge of those neighbours who matter so much to us. We want to understand their point of view. That does not mean necessarily that we should share it, for their point of view may be wrong; but if we have to fight it, we shall fight it all the better for understanding it.

"We must have more than knowledge; we must have sympathy. As someone has said, our problem is to make certain that the democracy in which we believe can live peaceably side by side with creeds which are not democratic. It is not for us to declare that we are the people, and that wisdom will die with us. Tolerance of other forms of

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government abroad should be part of every democrat's creed. There is a famous French proverb, 'Tout comprendre c'est tout pardonner'. That always seems to me slightly patronizing, and I prefer the form of Madame de Staël—'Tout comprendre nous rend très indulgents'. A great German philosopher once said truly that the essence of tragedy was not a clash between right and wrong, but a clash between two rights.

"I remember that my old friend, James Bryce, was never tired of insisting that there must be some element of truth, some kernel of honest idealism, in any creed which moves the heart of a large body of men, and that it was our duty to discover that kernel of truth, that element of value. This wise attitude seems to me especially important to-day. We see much in certain other countries which we dislike. But surely the right way is not blind condemnation, as if they had sold their souls to the devil. The Prime Minister said very truly the other day that he disliked the facile use of words like 'Fascism' and 'Communism' as terms of abuse, since the taunt of Fascism was used too often against a perfectly reasonable attempt to maintain law and order, and the taunt of Communism to decry some rational scheme of social reform. It is our business in studying the mind of foreign peoples to look for the kernel of truth, the element of value which must be there. It may be preposterously overstated, it may even be hopelessly perverted; but we shall be far better able to check its perversions and reduce folly to sanity if we recognize what is sound and true in it.

"The purpose which your Institute sets before itself is not merely to provide a limited number of cultivated men and women with accurate knowledge. It will help, I trust, here and in Britain to create that spirit without which a true internationalism is impossible. The League of Nations has not succeeded as we had hoped, because it had not an adequate spiritual force behind it. There was a famous church father in the middle ages, Bernard of Morlaix, who wrote a Latin hymn, some lines of which never cease to haunt my mind. 'Who will achieve universal peace?', he asks, and his answer is: 'The disciplined, the dedicated, the pure in heart and the gentle in spirit'. Every lawyer knows that the wisest law will not succeed unless it is in tune with the spirit of a people. If it is too far ahead of that spirit it will be a dead letter. No international mechanism which the wit of man can frame will succeed unless there is behind it, in the world at large, the proper temper of mind. To create and maintain this temper is the first duty of every civilized man."

The Hon. N. W. Rowell proposed the toast to the sister organizations—the Royal Institute of International Affairs, the Council on Foreign Relations, and the Institute of Pacific Relations. He spoke briefly of the work of the Royal Institute, noting particularly that it included in its programme study and research on Commonwealth relations. The Institute of Pacific Relations, he said, had contributed much to a better understanding of the problems of the Pacific. The Hon. Mr. Rowell complimented the Council on Foreign Relations on its publication of one of the most useful journals in the world dealing with foreign affairs. He referred to the intimacy of the relations between Canada and the United States which made American views of

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foreign affairs of the deepest concern to Canada, and noted that President Roosevelt's courageous Chicago speech had been read with profound interest by Canadians.

Sir Campbell Stuart, replying on behalf of the Royal Institute, congratulated the Canadian Institute on its accomplishments in its first ten years, and expressed the hope that the great work to which it had set its hand would help "to give the rising Canadian generation a true perspective of the part their country has played and can play in guiding and shaping the destinies of mankind".

Mr. Walter H. Mallory, of the Council on Foreign Relations, New York, expressed the hope that the collaboration between his organization and the Institute would be increased, and suggested that there were many problems in the foreign relations that were common to Canada and the United States which it would be profitable for the Institute and the Council to discuss jointly.

The Right Hon. W. L. Mackenzie King, Prime Minister of Canada, had not intended to give an address, but was prevailed upon to speak extempore. The Prime Minister expressed his gratitude to the Institute for its work in creating a body of public opinion well informed on questions of foreign affairs. "I am happy indeed", he said, "to enlarge the source of guidance and inspiration in respect to the shaping of the policies of our country in external relations to far beyond the Cabinet and to include in it the members of this great Institute. It has been of inestimable value to the Department of External Affairs to have had the able and informed addresses which from time to time have been given and publicized by members of the Institute. No man in Canada knows better than I do how necessary it is to have the truth spoken with reference to all that pertains to foreign nations, and no man knows better than I do in this country the harm that can be done by misrepresentation in whatever relates to relations with foreign countries. I have felt that more and more in the last two months than I have ever experienced in my public life."

In the course of his remarks the Prime Minister also said:

"I have been impressed with the fact that half the problems the Government are confronted with, dealing with external affairs, are created by some hasty word, some false rumour or report with respect to what has been done at Geneva or Ottawa.

"Some of us who are struggling with these questions of public affairs have the feeling that after all a little inquiry before criticism might help to save a great deal of false representation and misleading views in regard to existing situations, and I hope those who have to do with the understanding of international problems, if ever the opportunity presents itself, will do something to give to our own people and the peoples of other countries a kindlier interpretation rather than a harsh one, and then you will have gone a long way towards solving the problems of to-day. After all, the maintenance of peace is more dependent on the spirit that men exhibit in their thought and actions, and I believe that our country, with its intimate associations with the country to the south, with the great nations of the British Commonwealth, and above all with the British Isles, and with France and

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other countries, has within its power to give an interpretation to many of the situations that may arise that is not within the power of any other country to give. Let us not be afraid to do the things that will help our country to do its best and play its part in a way that will be for the good of all humanity."

Mr. Léon Mercier Gouin, proposing the toast to the Institute, declared that the policy of the Institute was to have no policy. In the Institute no member was forced to adopt any definite view. They simply tried to ascertain the facts and to adopt a "disinterested, scientific method" in their approach to international problems.

Mr. E. J. Tarr, K.C., the new president of the Institute, spoke of the unofficial conferences in which the Institute participated. Canadian delegates to such conferences had performed an important service to Canada by making Canada's position known, by acting as arbitrators on occasion, and by instructing others in the technique of Round Table discussion that had been developed in Canada. "There is no question", Mr. Tarr said, "that Canada has made and can make a worthwhile and distinctive type of contribution to international affairs, not because of superior qualities but because of different characteristics and different backgrounds. Knowledge is essential to progress and co-operation and I hope the Institute may be one of the constructive factors in our national life, making possible a creditable contribution by Canada in the realm of international affairs."

Mr. Brooke Claxton spoke briefly of the activities of the Montreal Branch and of the Institute in general.

Messages were read from Viscount Cecil, the Right Hon. R. B. Bennett, the Hon. Newton D. Baker, the Hon. Vincent Massey, and Mr. R. L. Buell, president of the Foreign Policy Association of the United States.

The chairman, Mr. Dafoe, in closing said that of all the disinterested work on which he had ever embarked his activities in connection with the Institute had come first. He felt that the Institute was performing a great service in bringing together people of conflicting views and promoting the spirit of understanding which is so necessary at this time.

With the speakers at the head table were the Hon. G. H. Sedgewick, K.C., the Hon. C. H. Cahan, K.C., M.P., Senator Beaubien, Sir Edward Beatty, G.B.E., Colonel Willis O'Connor, Major A. S. Redfern, and Mr. J. M. Macdonnell, chairman of the Executive Committee of the Institute.

Others present included: B. M. Alexandor, Professor H. F. Angus, C. T. Ballantyne, J. R. Ballantyne, John Basset, L. G. Beaubien, L. E. Beaulieu, K.C., L. J. Belnap, Jacques Bieler, Colonel O. M. Biggar, K.C., Gerald W. Birks, W. M. Birks, E. G. Black, E. H. Blake, Dr. W. H. Brittain, A. N. Budden, W. H. Budden, A. K. Cameron, E. M. Campbell, George A. Campbell, K.C., G. S. Challies, J. B. Challies, F. S. Chalmers, Murray Chipman, W. F. Chipman, K.C., W. McL. Clarke, Ross Clarkson, Colonel the Hon. H. Cockshutt, D. C. Coleman, F. B. Common, K.C., Senator Louis Coté, K.C., B. W. P. Coughlin, G. S. Currie, Norman J. Dawes, A. O. Dawson, LL.D., Professor J. P. Day, W. Roy Dillon, S. H. Dobell, S. G.

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Dobson, Jackson Dodds, Monteath Douglas, G. H. Duggan, D. A. Dunton, Dr. E. M. Eberts, Lieutenant-Colonel George H. Ellis, Philip Fisher, Andrew Fleming, Dr. A. Frigon, Harold Fry, A. Gérin-Lajoie, K.C., A. O. Gibbons, W. W. Goforth, H. C. Goldenberg, Sir Charles Gordon, K.B.E., Lieutenant-Colonel G. L. P. Grant-Suttie, C. E. Gravel, Dr. Fraser Gurd, John T. Hackett, K.C., Francis Hankin, L. W. Haslett, Charles Hébert, A. D. P. Heeney, Clinton Henderson, C. H. Herbert, Brigadier-General F. W. Hill, J. Hobbs, Senator A. K. Hugessen, K.C., G. M. Hyde, John M. Imrie, S. W. Jacobs, K.C., M.P., H. T. Jamieson, R. P. Jellett, F. I. Ker, I. W. Killam, A. L. Lawes, T. B. Macaulay, Ross Macdonald, L. R. MacGregor, Colonel C. S. MacInnes, Professor R. A. MacKay, Professor N. A. M. MacKenzie, the Hon. Mr. Justice MacKinnon, E. A. Macnutt, J. E. MacPherson, R. J. Magor, Hugh Mathewson, J. G. McConnell, J. W. McConnell, H. E. McCrudden, Bruce McDonald, George C. McDonald, R. S. McLaughlin, D. M. McLean, H. McLean, L. McLean, N. J. McLean, Ross H. McMaster, E. N. Mercer, Allan M. Mitchell, R. D. Mitchener, Colonel Herbert Molson, G. H. Montgomery, K.C., Henry Morgan, René Morin, Donald A. Morrell, J. Aird Nesbitt, S. R. Noble, S. C. Norsworthy, Sidney D. Pierce, Norman Prentice, L. E. Reford, Escott Reid, Jas. Richardson, W. W. Robinson, E. B. Rogers, P. W. Rolleston, John W. Ross, A. Savard, Ernest Savard, S. C. Scobell, the Hon. Gordon W. Scott, C. F. Sise, P. F. Sise, the Rev. A. Lloyd Smith, H. L. Smith, F. N. Southam, G. W. Spinney, J. E. W. Stephenson, Arthur Surveyer, the Hon. Mr. Justice Surveyer, H. J. Symington, K.C., Leslie Thomson, Rielle Thomson, H. P. Thornhill, R. A. Timmins, E. A. Walford, Hugh M. Wallis, A. C. Walwyn, V. C. Wansborough, Senator Webster, James Wilson, Morris W. Wilson, Eric Wiseman.

The dinner was arranged by Mr. Brooke Claxton and a committee of the Montreal Branch, to whom the thanks of the Institute are due.

NATIONAL COUNCIL MEETING, MONTREAL, OCTOBER 12

The Annual Meeting of the National Council was held in Montreal on October 12, with 24 members representing 10 branches present. Routine business and questions of policy were considered. It was reported that the total membership of the Institute at October 1 was 920.

The following officers and committee members were elected for the two-year period 1937-9:

Honorary Presidents: The Hon. N. W. Rowell, The Hon. Senator Raoul Dandurand, K.C., The Hon. Vincent Massey, and Mr. J. W. Dafoe.

President: E. J. Tarr, K.C.

Vice-Presidents: The Hon. Senator Louis Coté, Colonel C. S. MacInnes, C.M.G., K.C., Messrs. W. M. Birks, John M. Imrie, J. M. Macdonnell, Arthur Surveyer, J. S. McLean.

Honorary Treasurer: Mr. Norman J. McLean.

Chairman, Research Committee: Professor N. A. M. MacKenzie.

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Co-opted Members of Council: Lieutenant-Colonel G. L. P. Grant-Suttie, Messrs. E. H. Blake, Floyd S. Chalmers, G. deT. Glazebrook, F. R. Scott.

Executive Committee: Mr. J. M. Macdonnell (*Chairman*), Mr. E. J. Tarr, K.C. (*ex officio*), Mr. Norman J. McLean (*ex officio*), Professor N. A. M. MacKenzie (*ex officio*), the Hon. George H. Sedgewick, Lieutenant-Colonel G. L. P. Grant-Suttie, Messrs. E. H. Blake, Floyd S. Chalmers, Brooke Claxton, F. R. Scott, Arthur Surveyer.

The Executive Committee was authorized to appoint the Research Committee for the two-year period.

The Council adopted several amendments to the Constitution. The following section was added to the Article on Publications:

> Article III (2). No Branch or individual member of the Institute shall publish anything bearing the imprint of the Institute or purporting to be issued under the authority or auspices of the Institute unless and until such proposed publication shall have received the approval of the National Council.

Other sections were amended to read as follows:

> Article V (3). The National Council may elect as members-at-large suitably qualified persons who are proposed and seconded by two members of the Institute to whom they are personally known. But such election will not entitle them to any rights or privileges in any Branch, save those extended to them by a Branch on its own initiative.[1]
>
> Article VIII (2). Any member of the National Council may attend and vote at a meeting of the Executive Committee.
>
> Article VIII (4). Copies of notices and minutes of meetings of the Executive Committee shall be sent to all Branches, to all members of the Executive Committee and to those members of the Council who inform the national secretary that they desire to receive them.

At the conclusion of the meeting the gratitude of the Council was expressed to the retiring president, Mr. Dafoe, for his unselfish services to the Institute since its inception and particularly for his services as president during the past two years. The very considerable progress made during that period has been due in large measure to Mr. Dafoe.

SPEAKERS

The question of bringing out a speaker from England to visit all the branches this winter is under consideration. At the recent Council meeting it was agreed that such a speaker should be in general a supporter of the present British government's policy, but not a "white-washer". The names of several speakers have been considered, but no definite invitation has yet been extended.

BRITISH COMMONWEALTH RELATIONS CONFERENCE, 1938

The agenda for the second Commonwealth Relations Conference, which is to be held in Sydney, Australia, in September, 1938, is being

[1]The secretary was instructed to note in the minutes that the Council does not intend to elect as members-at-large *men* who live in localities where a Branch of the Institute is established.

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sent with this number of the *C.I.I.A. Notes* to all members of the Institute. Mr. E. J. Tarr has been appointed chairman of the Canadian delegation. He has already addressed all of the branches on the subject of the conference. Professor F. R. Scott has written the principal data paper for the conference, the first draft of which is now being sent out. It is hoped that each Branch will organize one or more groups to study and criticize this draft report and then go on to study more intensively one or more of the topics on the conference agenda.

The Council is exceedingly anxious that the Institute send a delegation representative of all points of view and able to present those points of view effectively. The selection committee requests that any Institute member prepared to make suggestions as to the personnel of the delegation forward them as soon as possible to the acting national secretary.

CANADA'S FOREIGN POLICY

Publication of the book on *Canada's Foreign Policy*, by Dr. R. A. MacKay and Mr. E. B. Rogers, has been delayed until the new year. The book will contain chapters on the geographic, economic, and demographic conditions in the light of which both internal and external policy must be formulated. The historical section comprises chapters on Canada's relations with the Empire, the League, the United States, the Far East, and the U.S.S.R. There will also be a section devoted to constitutional questions—the actual conduct of external affairs, the treaty power, and the question of neutrality. Finally, there will be a consideration of the alternative policies that Canada might pursue.

INTERNATIONAL STUDIES CONFERENCE

At the National Council meeting in Montreal considerable attention was given to the question of the Institute's participation in the work of the International Studies Conference. The delegates to the recent conference in Paris felt that it would have been much more successful if it had been better organized. In spite of their disappointment, however, they considered that the delegation had rendered an important service to Canada by explaining the Canadian attitude towards certain questions, notably immigration. They were of the opinion that continued participation would be well worth while since the conference was looking towards the better organization of the world community, because the necessity of preparing data papers caused members of the Institute to study international questions that they might otherwise overlook, and because delegates brought home with them much information which, when propagated, contributed towards better understanding. Dr. MacKay agreed to write a memorandum on the origin and work of the International Studies Conference which will be sent to Branch secretaries, from whom members interested will be able to obtain copies.

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STUDY GROUPS

This year the study groups of the Institute will be paying particular attention to problems of British Commonwealth Relations, first studying and criticizing Professor Scott's draft data paper for the Commonwealth Relations Conference next year, and then studying in detail one or more of the sub-divisions of the conference agenda. Most of the Branches have already organized groups to study Professor Scott's report and the Winnipeg group will probably divide into two or three sub-groups to study particular topics. Other Branches are planning to have study groups or Round Tables as follows: *Montreal:* Canada and the Problem of the International Labour Unions; *Ottawa:* Canada and the Far East; *Toronto:* (1) The Constitution, (2) Taxation Problems; *Victoria:* Canadian-American Relations (tentative).

ARTICLES OF INTEREST

Members of the Institute may be interested in an article on "The Imperial Conference, 1937", by Mr. J. W. Dafoe, which appears in the October number of the *University of Toronto Quarterly.*

The June number of the *Canadian Bar Review* is devoted to articles on the constitution and on the treaty-making power.

RECENT I. P. R. PUBLICATIONS

The Legal Status of Aliens in Pacific Countries: An international survey of law and practice concerning immigration, naturalization and deportation of aliens and their legal rights and disabilities. *Edited by* NORMAN MACKENZIE, Professor of Public and Private International Law, University of Toronto. 1937. London: Oxford University Press. xii+374 pp. ($6.25; to members of the Institute, $5.00 + postage).

The Problem of Peaceful Change in the Pacific Area: A study of the work of the Institute of Pacific Relations and its bearing on the problem of peaceful change. *By* HENRY F. ANGUS, Professor of Economics, University of British Columbia. 1937. London: Oxford University Press; Shanghai: Kelly and Walsh. vii+193 pp. ($1.75; to members of the Institute, $1.40+postage).

Problems of the Pacific 1936. The proceedings of the sixth conference of the Institute of Pacific Relations, on "Aims and results of social and economic policies in Pacific countries". *Edited by* W. L. HOLLAND *and* KATE MITCHELL, *assisted by* HARRIET MOORE *and* RICHARD PYKE. 1937. London: Oxford University Press. ix+470 pp. ($6.25; to members of the Institute, $5.00+postage).

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THE FAR EASTERN CRISIS

Mr. William Strange's book, *Canada: The Pacific and War*, has been published by Thos. Nelson's under the auspices of the C.I.I.A. (Price $1.75; to members of the Institute, $1.40).

An excellent bibliography of the background of the far eastern conflict is to be found in the October number of *Amerasia* (Amerasia, Inc., 125 East 52nd Street, New York, 25 cents a copy, $2.50 a year). The American Council of the I.P.R. is publishing useful articles in its fortnightly *Far Eastern Survey* (129 East 52nd Street, New York, 25 cents a copy, $2.50 a year). *Pacific Affairs*, the quarterly journal of the I.P.R., also contains articles that will help to an understanding of the issues involved.

THE ROWELL COMMISSION

Four of the five members of the Royal Commission on Dominion-Provincial Relations are members of the Institute. The Hon. Mr. Rowell and Mr. Dafoe are Honorary Presidents; Professor Angus is a member of the National Council; and Dr. MacKay is a member of the Research Committee. Since the Commission will be holding sittings in all parts of the country, the various branches will probably have the opportunity of hearing one or other of its members.

NATIONAL SECRETARY

The national secretary, Mr. Escott Reid, has been granted leave of absence until May, 1938, to enable him to take the place of Dr. R. A. MacKay of Dalhousie University, whose duties as a member of the Royal Commission on Dominion-Provincial Relations compel him to relinquish his academic post for a year. Mr. Reid's place is being taken by Mr. E. B. Rogers, of Charlottetown, who has been assisting Dr. MacKay with his forthcoming book on *Canada's Foreign Policy*.

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OFFICE OF THE PRIME M[redacted]

MEMORANDUM

January 8th, 1938.

For Mr. King:

-- Attached is a memorandum prepared by Mr. Read, regarding the Governor General's speech at the Canadian Institute of International Affairs, on October the 12th.

Points developed in the memorandum are being included in the outline of headings for the Debate on the Address, in the event of Mr. Bennett making some reference to the speech.

E. A. P.

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MEMORANDUM FOR THE PRIME MINISTER

MEMORANDUM CONCERNING A SPEECH OF HIS EXCELLENCY THE GOVERNOR-GENERAL, DELIVERED AT THE ANNIVERSARY DINNER OF THE CANADIAN INSTITUTE OF INTERNATIONAL AFFAIRS AT MONTREAL, OCTOBER 12TH, 1937.

January 7, 1938.
J.E.R.

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JER/S
Jan.5,1938.

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Memorandum concerning a Speech of His Excellency the Governor-General, delivered at the Anniversary Dinner of the Canadian Institute of International Affairs at Montreal, October 12th, 1937

1. This speech was delivered at the dinner in Montreal, given to celebrate the tenth anniversary of the founding of the Institute. The Institute is an organization with branches in the more important Canadian urban centres. The membership consists of Canadians who are interested in the study of international affairs. It is not a political organization. It provides a place where international questions are considered and discussed without prejudice.

2. The Anniversary Dinner provided an occasion for reviewing the nature of the activities of the Institute and for appraising their value to the members and to the country. The statements made by Mr. Dafoe, by the Chief Justice of Ontario, by Sir Campbell Stuart, Mr. Mallory, Mr. Mackenzie King, Mr. Gouin, Mr. Tarr and Mr. Claxton, indicate the

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general theme of the discussion. In the circumstances it was inevitable that His Excellency, an original member of the Royal Institute, should talk about the character of the Institute's activities, the approach to the studies conducted by its members, and its relationship to the country.

3. A copy of the Report is annexed, containing the text of His Excellency's speech. An examination of the speech as a whole in its setting, makes it perfectly clear that it could not fairly be criticised unless His Excellency is to be restricted to colourless comments upon the weather, on art and on literature.

4. Severe criticisms have been made by extracting a sentence or two from the speech, disregarding the context and the occasion and stressing the meaning of isolated phrases.

5. The most serious attacks have been made by the Hon. C. H. Cahan in an address before the Montreal members of the Royal Empire Society, October 29, 1937, by Mr. John Bassett, the publisher of the

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Montreal Gazette, in addressing the Association of Canadian Advertisers on December 10th, and by the Telegraph-Journal of St. John, December 2nd.

6. Objections to the speech are largely based upon excerpts from the following two paragraphs:

> "This attitude must be mainly determined by the citizens themselves. The day has gone when foreign policy can be the preserve of a group of officials at the foreign office, or a small social class, or a narrow clique of statesmen from whom the rest of the nation obediently takes its cue. Today the problems affect us all too vitally in our private interests. The foreign policy of a democracy must be the cumulative views of individual citizens, and if these views are to be sound they must in turn be the consequence of a widely diffused knowledge.
>
> "From this duty no country is exempt. Certainly not Canada. She is a sovereign nation and cannot take her attitude to the world docilely from Britain, or from the United States, or from anybody else. A Canadian's first loyalty is not to the British Commonwealth of Nations, but to Canada and to Canada's King, and those who deny this are doing, to my mind, a great disservice to the Commonwealth. If the Commonwealth, in a crisis, is to speak with one voice it will be only because the component parts have thought out for themselves their own special problems, and made their contribution to the discussion, so that a true common factor of policy can be reached. A sovereign people must, as part of its sovereign duty, take up its own attitude to world problems. The only question is whether that attitude shall be a

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"wise and well-informed one or a short-sighted and ill-informed one. Therefore we need knowledge - exact knowledge - and it is one of the objects of this Institute to provide that."

7. Mr. Cahan's objection is largely directed to the sentence which reads:

"A Canadian's first loyalty is not to the British Commonwealth of Nations but to Canada and to Canada's King, and those who deny this are doing, to my mind, a great disservice to the Commonwealth."

The objection is based upon the view that there can be no division of loyalty, that the Crown is indivisible, and that, while the King is King of the Canadians, he is not King of Canada. The last conclusion is supported by a lengthy analysis of the B.N.A. Act. It is also based upon a recital of the resolutions of the Imperial Conferences of 1923 and 1926, stressing particularly the obligation for consultation in international relations dealing with matters of common interest. Reference is made to the statement in the Imperial Conference Report of 1926 as to the large share of Great Britain in foreign affairs and defence, and to the provisions of the Statute of Westminster, especially the recital dealing with the question of alteration in the law touching

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the Succession to the Throne and the Royal Style and Titles. Mr. Cahan takes the view that loyalty to the Commonwealth implies strict fidelity to the constitutional conventions which its members have now undertaken or may hereafter undertake. He stresses the need for cooperation and collective action and for unity in the administration of the common interests of the Commonwealth. He suggests the interchange of High Commissioners, whose chief duty should be to assist in developing, as far as possible, a joint policy in respect of all international affairs of common interest in the Empire.

Mr. Bassett's criticism is similar in character.

The position taken by the Telegraph-Journal is a typical statement of a staunch Imperialistic point of view.

8. The strength of Mr. Cahan's position is in its apparent foundation upon the Constitution. Its weakness is based on its neglect of a simple, but fundamental, legal principle.

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International relations are within the scope of the Royal Prerogative. Neither the Parliament at Westminster nor the Parliament of Canada has, to any noticeable extent, entrenched upon the prerogative power of the King in the conduct of international relations or in the exercise of the treaty-making power. Both in Colonial times and at present, international relations have been conducted by and in the name of the King. In so far as legal power is concerned, governments and parliaments do not enter into the picture. Parliament could step in and entrench upon the power but it has not done so.

It has become a recognized convention of the constitution that the King does not act of his own motion in the conduct of international affairs. He acts on the advice of his Ministers, and the constitutional changes which have taken place have largely consisted of changes in the practice of advising the King in the exercise of his prerogative power.

In Colonial times the King acted upon the advice of his Ministers at Downing Street in matters which conerned Great Britain or Canada. Today, the King acts in matters which concern Canada in accordance with the advice of his Canadian Ministers. Legally,

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there has been no change; constitutionally there has been a fundamental change whereby the King seeks the advice of his Ministers in Ottawa, rather than the advice of his Ministers in London. There are matters that concern both London and Ottawa and, in such cases, the King acts upon their joint or several advice.

Mr. Cahan makes much of the point that there are certain things that the Canadian Government cannot do, but he ignores the point that, in corresponding matters, the Ministers in the United Kingdom are equally impotent. For example, he states:

> "In effect Canada may not declare war nor proclaim her neutrality nor make peace independently in any war in which the United Kingdom is involved without thereby declaring her secession from the British Commonwealth of which Canada now forms an integral part."

He overlooks the fact that the United Kingdom may not declare war nor proclaim her neutrality nor make peace independently in any war in which Canada is involved without thereby declaring the secession of the United Kingdom from the Commonwealth. He is prepared to deny to a Canadian the privilege or obligation of loyalty to Canada, but it is doubtful whether he would condemn in equal terms the loyalty of an Englishman or a Scotsman

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to Great Britain. He is prepared to question the privilege or obligation of the Canadian to consider international problems in the light of his loyalty to Canada, but one wonders whether he would have the Englishman or Scotsman disregard his loyalty to the United Kingdom in the consideration of international problems.

9. The following points require special consideration:

(a) Can the question be raised in the House?

It is clear that no member may speak disrespectfully of the Governor General (Beauchesne, Parliamentary Rules and Forms, Rule 19; Standing Orders of the House of Commons, No. 41).

It is also clear that any allusion to the personal views of the King or of the Governor General, in such a manner as would influence the judgment of members, would be contrary to the Rules of the House (Anson, Law and Custom of the Constitution, 5th Ed. Vol. 1, pp. 332, 333). (Bourinot, Parliamentary Procedure and Practice,

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2nd Ed., pp. 410, 411.)

On the other hand, Bourinot points out that it is not unusual in the Canadian House for the Leader of the Government to make statements with reference to the relations between the Cabinet and His Excellency the Governor General, or in answer to false reports in the public press.

There seems, however, to be no rule preventing a discussion by Parliament of the action of the Sovereign or of his representative. While such a debate, obviously, should not be lightly undertaken, the authority of Parliament to discuss royal acts or statements, is an essential part of our constitutional system. The Stuart period is replete with precedents, but we do not need to go back much more than a year to the time of the abdication, to find instances of discussion in all of the Parliaments of royal acts or proposals.

Accordingly, while it would be most undesirable to adopt any course of action that

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would interfere with the power of Parliament to debate royal or vice-regal conduct or statement, it might well be urged that the exercise of such power should be reserved for serious matters.

(b) Assuming that the question can be raised in the House, what courses of action are open to the Government?

There are three courses of action available:-

(i) <u>Complete responsibility could be assumed ab initio.</u>

This course would involve assumption that the Governor General's speech had been previously authorized by the Cabinet as a statement of governmental policy, either by its having been prepared by the Government, or submitted before-hand by the Governor General, and approved. This assumption is probably untenable in fact.

This course is also open to the serious objection that it would not be in accordance with constitutional practice for the Crown to express the views of the Government on questions of policy, save in the Speech from the Throne and other formal

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communications to Parliament which are sanctioned by usage.

(ii) <u>The Government could accept responsibility for the Governor General's Statement.</u>

It is clear that the statement is defensible, and sets forth the present constitutional position.

On the other hand, it is equally clear that the making of a defensible statement in a controversial matter would not be justifiable. This course would, therefore, be unsatisfactory and would be open to the same general objection as the preceding course.

(iii) <u>The Government could, without accepting responsibility for the Governor General's statement, take the position that the Governor General was justified in discussing a matter of this sort and in expressing his personal views.</u>

This position would be open to the Government, whether or not the speech had been previously examined and approved. In such a case, the previous examination would necessarily be restricted to determining whether the matter was controversial, and would not carry with it governmental approval. For example, assuming a case in which the Governor-General proposed to deliver a speech, the subject

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matter being Etruscan Art, an examination by the Government would involve a finding that the subject matter was suitable, rather than approval of his aesthetic opinions.

It is clear that the Governor General can, with propriety, discuss non-political matters and non-controversial political matters. It is equally clear that he cannot properly discuss controversial political matters.

Setting aside, for the moment, non-political topics, such as art, literature, etc., and considering only the topics which may have some political aspects, the Governor General is faced with a line of demarcation which is easily defined, but not so readily determined in practice.

It is clear that the Governor General can talk generally about the state of the world, international affairs, loyalty, patriotism, and general historical, political, and economic questions. In so doing, he is bound to avoid those aspects of the questions which are currently in controversy. He must not over-step the line between that which is controversial and which is not controversial.

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Bearing in mind the nature of his task, it is submitted that he can only be brought to task if he shows bad faith or negligence in over-stepping the line of demarcation.

Bringing these principles to bear upon the present case, it is clear that there has been no question of bad faith or negligence on the part of the Governor General. He was talking about a subject matter which no fair-minded Canadian would have regarded as being a matter of political controversy in our day and generation. He was discussing one aspect of this subject matter, namely the conception of loyalty, which, again, no fair-minded Canadian would have regarded as being a matter now in controversy. He expressed his opinion, which was in accord with the definitely expressed views of the leaders of the Canadian parties on both sides of the House, entirely in accordance with the principles expressed and practiced by his principal critic, and in complete harmony with the present position of Canada as established by legislation, by resolutions of Imperial Conferences and by the practice of successive governments.

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It is submitted that the Governor General cannot, in any way, be criticized, by reason of the fact that his very clear statement of a commonly-held Canadian viewpoint happened to fan the ebbing fires of an effete colonialism and cause them to emit a few straggling sparks.

The revival of the controversy by Mr. Cahan, Mr. Bassett and the St. John Telegraph Journal creates a situation in which it would be obviously inappropriate for the Governor General to discuss the matter at the present time,- a matter which was non-controversial last October is now controversial. But the subsequent emergence of the controversy cannot now vitiate action which was right on the 12th October, 1937.

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Supplementary Note

In one sense, the soundness of the Governor General's opinion is not a relevant issue. A similar question was raised by the late John S. Ewart when he criticized Earl Grey for the advocacy of Imperialistic views. Mr. Ewart said:

> "Some Imperialists will not agree with what I have said. They will urge that Lord Grey's views are right. I reply that that is not the point. If Lord Grey advocated Nationalism, I should say that his views were right, but I should agree that advocacy of them by him was wrong. It may be said that the questions involved are of the highest and most vital importance. That is true. But His Excellency is precluded by his office from discussing them. The only argument in favour of appointing an Englishman rather than a Canadian to the headship of our Government is that he is supposed to be able on that account to act a more impartial part, and to keep more aloof from political strife."

There is, however, another aspect of the problem. Without questioning Mr. Ewart's opinion, it may be pointed out that it is impracticable to avoid consideration of the soundness of the Governor General's views in determining the more directly relevant issue as to whether they were controversial in character.

In approaching this problem, it is difficult to find any direct indication of the views

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of political leaders and any direct treatment, either by constitutional authorities or by governmental conferences.

Taking the sentence of the Governor General's, upon which attention has been focused, it will be observed that it discusses the question of a Canadian's first loyalty and the character of the King-ship.

Considering, first, the question of a Canadian's first loyalty, it may be observed that the matter does not appear to have been directly dealt with in any of the resolutions of the Imperial Conferences, or of the Conference on the Operation of Dominion Legis-lation.

There have been ample discussions of national status. There is definite recognition of the conception of nationality as expressing the relationship between the individual and the member of the British Commonwealth to which that individual belongs. Reference may here be made to paragraphs 73 to 79 of the Report of the Conference on the Operation of Dominion Legislation 1929 and to Section VI (b) of the Summary of Proceedings of the Imperial Conference 1930, and to the Summary of

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Proceedings of the Imperial Conference 1937, at pp. 23 to 26 inclusive. It is also recognized that the members of the Commonwealth are united by a common allegiance to the Crown and that this allegiance is the basis of the common status possessed by all subjects of His Majesty (O.D.L. Report 1929, Para. 75). This common status is described by the term "British Subject" which does not mean "subject of Great Britain". It is a term of long-standing, and denotes, generally, all subjects of His Majesty, to whatever part of the British Commonwealth they belong (I.C. Report 1937, p.23). Bearing in mind the endorsation of the 1929 and 1930 reports by the Parliament of Canada and by all parties, the existence of the two types of status is clearly recognized.

The question of allegiance has also been dealt with in explicit terms. In the Summary of Proceedings of the Imperial Conference 1926, is to be found the statement as to the position and mutual relation of Great Britain and the Dominions,

> "They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown and freely associated as members of the British Commonwealth of Nations". (p.14).

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Reference has already been made to Para. 75 of the O.D.L. Report 1929, where it is pointed out that the common allegiance to the Crown of the members of the Commonwealth, is the basis of the common status possessed by all subjects of His Majesty.

The universal acceptance of this conception is further indicated by the second recital of the Statute of Westminster, dealing with the question of alteration in the law touching the succession to the Throne:

> "And whereas it is meet and proper to set out by way of preamble to this Act that, inasmuch as the Crown is the symbol of the free association of the members of the British Commonwealth of Nations, and as they are united by a common allegiance to the Crown, it would be in accord with the established constitutional position of all the members of the Commonwealth in relation to one another that any alteration in the law touching the Succession to the Throne or the Royal Style and Titles shall hereafter require the assent as well of the Parliaments of all the Dominions as of the Parliament of the United Kingdom:"

The national status of individuals and the conception of the common allegiance to the Crown of the members of the British Commonwealth, have been specifically and completely dealt with. On the other hand, there does not appear to be any discussion of the conception of loyalty. Loyalty, of course, is not a matter for the lawyers or the constitutional pundits,

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it is a moral and emotional response of a human being to the traditions, environment and political and constitutional circumstances in which he lives. It may reasonably be assumed that the politicians and constitutional authorities felt hesitant about the attempt to give authoritative definition to the conception of loyalty.

Similarly, a cursory search of the pronouncements of Canadian public men fails to disclose any discussion of loyalty as such.

On the other hand, a study of the pronouncements of Canadian public men shows plainly that the corner stone of their political philosophy and practice is a deep and abiding loyalty to Canada.

Mr.Cahan's speech on the Sino-Japanese situation (Hansard 1932-1933, Vol. 5, May 16, 1933; pp. 5059-5067) is an excellent example. The general tenor of his speech, dealing with matters of high policy, involving issues of peace and war, makes it very clear that his acts and words at Geneva were determined by loyalty to Canada and to Canada's King:

> " . . . I deemed it expedient at the special assembly in December last to refer to Canada's now historic point of view, inasmuch as it was then evident that there were delegates

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"from some of the recently organized states of Europe, who foresee that coming events may place their own state boundaries in jeopardy, and who were disposed to press for an arbitrary condemnation of Japan and the premature enforcement, in their interests, of the sanctions prescribed by the provisions of article 16.

I would like to suggest that one occupying the position I did, representing Canada and standing before that assembly of representatives from all parts of the world, must necessarily feel a great responsibility indeed, in view of the fact that to attain the ultimate end sought by many of the delegates might have involved placing upon Canada the responsibility of again sending her military forces into the far east for the preservation of peace in Manchuria. And knowing as I did, the historic development of opinion in Canada with regard to article 10, I conceived it my bounden duty to state to that assembly what I believed to be the prevailing public opinion in Canada which has been accepted and endorsed by each successive government in our country, in order that there might be no misapprehension as to the position which I as a delegate of Canada was then taking.

Article 16 would involve:

> The severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant breaking state, and the prevention of all financial, commercial or personal intercourse between the nationals of the covenant breaking state and the nationals of any other state, whether a member of the league or not."

The same observations could be made with regard to Mr. Bennett's speech (See Hansard 1936, Vol. 4, June 18, 1936, pp. 3894-3895):

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". . . Why should we take some action just because some other nation has? Why should we determine that we shall abandon sanctions because some other nation is about to do so?

"An hon. Member: Because Great Britain has.

"Mr. Bennett: If Great Britain abandoned sanctions Great Britain has good reasons. What reasons are there that we should do the same? Our peace is not disturbed; our shores are not invaded.

"Mr. Mackenzie (Vancouver): It would be entirely ineffective.

"Mr. Bennett: Not as far as Canada is concerned. It would lessen our trade; it would prevent Italy from receiving from us certain commodities that she otherwise would receive, but we should stand as an example to the world that a new democracy is blazing for itself a new pathway of rectitude in regard to a position which she had accepted under the League of Nations. That is what it would mean. One may say that that is absurd; that one nation does not count, especially on the north American continent. Ah, well, example is very great. We being a small power in numbers, without military equipment that could possibly be utilized in any prospect of war, whether on sea or on land or in the air, that was eliminated in the very first discussion which took place. Then why should we acquiesce when we have no complications in our national life such as the nations in Europe have?

There is, of course, no need to refer to the pronouncements of the leaders of the other opposition parties. Without expressing any approval or disapproval of their policies, it can be stated that no person would ever suggest that their political philosophy was founded upon anything other than loyalty to Canada. Accordingly,

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it could reasonably be assumed by the Governor General, at the date of the address, that there was general agreement by all political parties on the question of loyalty to Canada. The subsequent emergence of controversy is an irrelevant consideration.

The other aspect of the Governor General's statement, to which exception has been taken, namely, that a Canadian's first loyalty is to Canada's King, is subject to somewhat different considerations. It is submitted that the critics have failed to understand the plain meaning of the Governor General's words. It is probable that they did not have access to a proper text of the speech, and it is almost certain that they did not have access to a complete report of the other speeches delivered on the same occasion.

The Governor General's statement cannot properly be interpreted as a negation of sovereignty on the part of King George VI over the United Kingdom or over any other part of His Majesty's dominions. It can only properly be interpreted as stressing the fact that King George VI is King of Canada. As such, he is entitled to the allegiance of all Canadians. As a result of this allegiance, there is undoubtedly an obligation

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of loyalty on the part of Canadians to their King. Certainly, it is a matter of actual fact that loyalty exists and has been abundantly evidenced in word and in deed. The provisions of the Statute of Westminster, the King's title, the abdication legislation, the terms of the coronation oath as revised, all emphasize the aspect of the kingship upon which the Governor General directed his attention in the sentence which has been criticized.

There has been, of course, some controversy among the lawyers and constitutional authorities with regard to the divisibility or the indivisibility of the kingship. It is probable that the Governor General's critics had this controversy in mind and that they regarded his statement as tending towards one side or another of this controversy. There is no reasonable interpretation of the Governor General's statement which would draw it within the field of that controversy. It is a simple statement by a person who is not a constitutional expert, of a simple fact. There is no indication that the speaker was even aware of the existence of this constitutional controversy and it is most unfair to suggest that he was in any sense taking sides. It is submitted

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that no Governor General should be criticized for a statement with regard to a simple fact, with a simple meaning comprehensible to all ordinary men, merely by reason of the fact that it may be possible to drag that simple statement, by means of implications comprehensible only to a few experts, into the field of constitutional controversy.

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C

FROM THE PRIME MINISTER

TO

C150492

Mr. Henry

For Dr. Skelton to see, please. Just the first letter to be returned - kindly let me have also the question about the Governor General: (being revised).

.S.

(E.H.)

24/2/38

Seen, Thanks.
OS.

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GOVERNMENT HOUSE,
OTTAWA.

[redacted]

C150493

With the compliments of the
Secretary to the Governor-General.

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C150494

PRIVATE

PROGRAMME AND ITINERARY

for the

V I S I T

of

HIS EXCELLENCY THE GOVERNOR GENERAL

to

THE PRAIRIE PROVINCES, HAMILTON, and TORONTO

May 6th to 22nd 1938

--

(All times Standard Time except where otherwise stated)

MAY 3 1938

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RAILWAY SCHEDULE

				Standard Time	
Lv.	Ottawa	Friday,	May 6th	10.05 p.m.	CNR
Arr.	Winnipeg	Sunday,	" 8th	8.40 a.m.	"
Lv.	"	"	" 8th	9.45 a.m.	"
Arr.	Saskatoon	"	" 8th	9.25 p.m.	"
Lv.	"	Monday,	" 9th	11.40 p.m.	"
Arr.	Regina	Tuesday,	" 10th	5.35 a.m.	"
Lv.	"	"	" 10th	7.20 a.m.	CPR
Arr.	Swift Current	"	" 10th	12.10 p.m.	"
Lv.	" "	Friday,	" 13th	4.35 p.m.	"
Arr.	Regina	"	" 13th	9.05 p.m.	"
Lv.	"	Sunday,	" 15th	8.25 a.m.	"
Arr.	Winnipeg	"	" 15th	6.00 p.m.	"
Lv.	"	Wednesday,	" 18th	10.10 a.m.	"
Arr.	Toronto	Friday,	" 20th	6.15 a.m.	"
Lv.	"	Saturday,	" 21st	11.15 p.m.	Pool
Arr.	Ottawa	Sunday,	" 22nd	7.15 a.m.	"

Composition of Party:

His Excellency the Governor-General
Mr. A.S.Redfern Secretary to the Governor-General
Captain G.P.Campbell-Preston, A.D.C.
Lieut.R.Scott, R.N., A.D.C.

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[redacted]

Sunday, May 8th: SASKATOON

9 26 p.m. Arrive Saskatoon

Monday, May 9th:

10.15 a.m. His Excellency will receive the Mayor of Saskatoon (Mr. R.M.Pender) on the private cars.

11.00 a.m. His Excellency will be received at the Chemistry Building of the University of Saskatchewan by the Chancellor (Sir F.W.G.Haultain), President (Dr. James S.Thomson) and Chairman of the Board of Governors (Hon. P.E.Mackenzie).

11.00 to 11.30 a.m. Visit the Chemistry Building - conducted by Professor Thorvaldson to see specially the work on Cereal Chemistry and Soils.

11.30 to 12.15 p.m. Visit to Department of Agriculture to see Farm Stock and Research in Root Formation by Mr. Pavlychenko, conducted by Dean Kirk.

12.15 to 12.45 p.m. Visit to Engineering Laboratories to see work in Ceramics (Professor Worcester) and Radium Department (Professor Harrington)

12.45 to 1.15 p.m. Saskatchewan Hall. Common Room - Presentation of Board of Governors, Members of Senate and Faculty.

1.15 to 2.00 p.m. Luncheon in Saskatchewan Hall - Board of Governors, Senate, Faculty and such students as are in residence. Brief speech by President.

2.45 to 3.15 p.m. His Excellency free to meet Faculty and others informally.

3.30 p.m. Visit Emmanuel College, received by Principal - The Rev. Canon A.W.Ferguson.

4.00 p.m. Afternoon Tea at President's residence.

Return to train.

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SWIFT CURRENT.

Tuesday, May 10th:

12.10 p.m. Arrive Swift Current.

3.00 p.m. His Excellency, accompanied by The Mayor (Mr. James Taylor) will visit the Airfield, Beam Station and Filtration Plant.

Wednesday, May 11th:

10.00 a.m. His Excellency will leave Swift Current by motor-car to visit the Rehabilitation work in the Val Marie area, under arrangements made by Mr. George Spence, Director of Rehabilitation; returning to the train in the late afternoon.

Thursday, May 12th:

8.00 a.m. Leave Swift Current for Maple Creek by special train.

10.00 a.m. Arrive Maple Creek.

His Excellency will leave Maple Creek by motor-car to inspect the Rehabilitation work at Cypress Lake under arrangements made by Mr. George Spence; returning to the train for luncheon.

Afternoon His Excellency will visit Mr. W.Martin's Ranch; returning to the train after tea.

8.30 p.m. Leave Maple Creek for Swift Current by special train.

10.30 p.m. Arrive Swift Current.

Friday, May 13th:

4.35 p.m. Leave Swift Current for Regina

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R E G I N A

(Daylight Saving Time)

Friday, May 13th:

10.05 p.m. His Excellency will be met at the station by the Lieutenant-Governor (His Honour A.P.McNab), accompanied by the Premier (Hon.W.J.Patterson), the Mayor of Regina and three or four other prominent citizens.

Party will proceed to Government House.

Saturday, May 14th:

9.00 a.m. Leave Government House, accompanied by His Honour the Lieutenant-Governor and a small group of officials and proceed to Indian Head (50 miles) where short visits will be paid to the Forestry Farm and the Dominion Experimental Farm.

12.00 noon Leave Indian Head by motor-car and proceed to Qu'Appelle Valley via Lake Katepwe and Lebret on Mission Lake.

1.00 p.m. Luncheon at the summer home of Lieut.Col.H.L.Jackes, V.D.,M.D., on Mission Lake.

2.30 p.m. Visit Indian Industrial School in adjoining Village of Lebret. (This school occupies one of the historical sites in Qu'Appelle Valley)

3.15 p.m. Leave Lebret for Fort Qu'Appelle Sanitarium (tuberculosis) on Echo Lake. Short visit to the Institution followed by tea with the Superintendent (Dr. Ferguson).

4.45 p.m. Leave Sanitarium by motor-car for Regina via Fort Qu'Appelle (64 miles)

6.30 p.m. Arrive Regina.

8.00 p.m. Dinner at Government House.

Sunday, May 15th:

9.25 a.m. Leave Regina for Winnipeg.

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WINNIPEG

Sunday, May 15th:-

6.00 p.m. Arrive C.P.R.Station

6.30 p.m. His Excellency will inspect the St. John Ambulance Brigade, present medals, and attend Brigade Service in All Saints' Church.

His Excellency will also inspect the Corps of Commissioners

Monday, May 16th:

3.00 p.m. His Excellency will visit Rupert's Land Girls' School (Principal, Miss E.M.Bartlett)

7.30 p.m. His Excellency will dine at Government House

8.30 p.m. His Excellency will attend the opening performance of the Dominion Drama Festival, and afterwards attend a supper-party given by Mr. W.L.MacTavish at the Manitoba Club.

Tuesday, May 17th:

1.00 p.m. His Excellency will lunch with Colonel G.Harold Aikins, 218 Roslyn Road.

3.30 p.m. His Excellency will visit St. John's College School (Principal - W.Burman)

8.00 p.m. His Excellency will dine at Government House.

Wednesday, May 18th:

10.10 a.m. Leave Winnipeg for Toronto

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TORONTO

Friday, May 20th: (Daylight Saving Time)

7.15 a.m.	Arrive Toronto
Morning	His Excellency will motor to Hamilton to attend a joint luncheon of the Men's and Women's Canadian Clubs in the Royal Connaught Hotel at 12.10 p.m. returning to Toronto in the afternoon.
8.00 p.m.	His Excellency will attend the Dedication Service of the Holy Blossom Temple (Rev. Rabbi M.N. Eisendrath)

Saturday, May 21st:

12.15 p.m.	His Excellency, attended by Mr. Redfern, Captain Campbell-Preston and Lieut. Scott, will lunch at the Toronto Hunt (President, C.T.Clarke), and afterwards attend the Woodbine Park Races, driving up the Course in State.
7.45 p.m.	His Excellency, attended by Mr. Redfern and Capt. Campbell-Preston, will dine with His Honour the Lieutenant-Governor and Mrs. Matthews at 169 Warren Road.
11.15 p.m.	Leave Toronto for Ottawa.

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				Eastern Standard Time	
Lv.	Montreal	Monday,	June 20th	9.30 p.m.	CPR.
Arr.	New York (Grand Central)	Tuesday,	" 21st	6.42 a.m.	NYC
Lv.	" "	"	" 21st	5.00 p.m.	NY,NH.& H.
Arr.	New Haven	"	" 21st	6.35 p.m.	" " "
Lv.	" "	Wednesday,	" 22nd	3.40 p.m.	" " "
Arr.	Boston (South Stn)	"	" 22nd	7.00 p.m.	" " "
Lv.	" "	Thursday,	" 23rd	11.00 p.m.	" " "
Arr.	New York (Grand Central)	Friday,	" 24th	5.10 a.m.	" " "
Lv.	" " "	"	" 24th	10.00 a.m.	NYC
Arr.	Montreal	"	" 24th	7.25 p.m.	D & H

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[redacted]

GOVERNMENT HOUSE,
OTTAWA.

Office of the Secretary
to the Governor-General

May 24th 1938

My dear Henry,

I send you, herewith, a copy of His Excellency's itinerary to Yale and Harvard.

Yours very sincerely,

A. Hodgson

H.R.L.Henry Esq.,
Office of the Prime Minister,
OTTAWA.

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GOVERNMENT HOUSE,
OTTAWA.

C [redacted] file

With the compliments of the
Secretary to the Governor-General.

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PRIVATE

PROGRAMME AND ITINERARY

for the

V I S I T

of

HIS EXCELLENCY THE GOVERNOR GENERAL

to

Peterborough, Trent Canal Area, Orillia & Midland

May 30th to June 5th, 1938

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RAILWAY SCHEDULE

					Standard Time	
Lv.	Ottawa	Monday,	May	30th	10.45 p.m.	Pool
Arr.	Peterborough	Tuesday,	"	31st	4.45 a.m.	"
	(The Private Cars will be taken from Peterborough to Orillia on June 3rd).					
Lv.	Orillia	Saturday,	June	4th	8.35 p.m.	C.N.R.
Arr.	Midland	"	"	4th	9.40 p.m.	"
Lv.	"	Sunday,	"	5th	6.00 p.m.	"
Arr.	Toronto	"	"	5th	7.35 p.m.	"
Lv.	"	"	"	5th	10.55 p.m.	C.P.R.
Arr.	Montreal	Monday,	"	6th	7 .00 a.m.	"
Lv.	"	"	"	6th	9.10 a.m.	"
Arr.	Quebec (Palais Station)	"	"	6th	1.10 p.m.	"

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PETERBOROUGH (Standard Time)

Tuesday, May 31st.

4.45 a.m. Arrive C.P.R.Station

11.00 a.m. His Excellency will be received at the station by His Worship The Mayor (Mr. J.Hamilton), the Warden of the County and Members of the City and County Councils. Inspection of Guard of Honour (Peterborough Regiment, The Prince of Wales' Rangers). Party will then proceed by motor car to visit the Village of Lakefield and the Preparatory School. A stop will be made at the War Memorial where His Excellency will place a wreath.

12.30 p.m. Return to train.

3.00 p.m. His Excellency will leave the train for a drive through the City to Confederation Square (school children will be grouped at two places on the route. War Veterans, Boy Scouts and Girl Guides will be assembled at the Square. Presentation of Addresses from the City and County, followed by reception of citizens.

On the conclusion of the ceremonies at Confederation Square, party will proceed to the plant of the Canadian General Electric Company. If time permits, another industry will be visited.

5.00 p.m. Return to train.

Wednesday, June 1st.

9.30 a.m. His Excellency and party will leave the train to board the"Bessie Butler" (below the Peterborough Hydraulic Lift Lock) and proceed through the Canal to Chemong; returning from there, by motor-car, in the evening to rejoin the train at Peterborough.

Thursday, June 2nd:

9.00 a.m. His Excellency and party will leave Peterborough to rejoin the "Bessie Butler" at Chemong, and proceed to Kirkfield, arriving at about 6.00 p.m., where the night will be spent on the boat.

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Friday, June 3rd.

9.30 a.m. His Excellency and party will leave Kirkfield for Orillia, via Lake Simcoe.

(Note: At Lock 41 (near Gamebridge) the school children of the community of Beaverton will be assembled to greet the Governor-General)

6.00 p.m. (approx.) Arrive Orillia and proceed to the private cars at the railway station.

(In the event of inclement weather, Lake Simcoe will not be crossed and the journey completed by motor-car)

ORILLIA (Daylight Saving Time)

Saturday, June 4th.

11.00 a.m. His Excellency will be received at the station by His Worship The Mayor, Members of Council, and Chairmen of different Municipal Bodies. Band Selection, Guard of Honour, Boys Scouts.
Party will then proceed to Champlain Monument, Cou chiching Park (a very short distance).
Presentation of Address and Reply, and viewing of Monument; after which party will proceed to visit an industrial plant, and then to the Golf Links for a view over Lake Couchiching.

12.30 p.m. Return to train.

3.00 p.m. His Excellency and party will proceed to the Soldiers' Memorial Hospital (Band and Legionnaires will be present at the Hospital)
His Excellency will place a wreath in the Memorial Hall of the Hospital, and immediately afterwards present diplomas to the Nurses who graduated at the Graduating Exercises held on the 3rd.

Inspection of Hospital.

After inspecting the Hospital, His Excellency and party will proceed to the Ontario Hospital on the shores of Lake Simcoe; followed by a short visit to the Public Library.

Party will then proceed to the residence of Mr.M. Pedwell on Lake Couchiching, and return to Park Wharf, where motor cars will be waiting to take the

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ORILLIA (Cont'd)

party to the Narrows, connecting the two lakes, to view the trophies won by the late Jake Gaudaur, former Champion oarsman of the World, and also the bronze tablet erected at the Narrows commemorating the landing of Champlain.

5.00 p.m. Return to train.

9.35 p.m. Leave Orillia for Midland.

10.40 p.m. Arrive Midland

MIDLAND (Standard Time)

Sunday, June 5th.

10.30 a.m. His Excellency will receive His Worship The Mayor (Mr. James Mackie) on the private cars.

11.00 a.m. His Excellency will attend morning service in Knox Presbyterian Church (Rev. A.C.Stewart)

(A motor launch and motor-car have been placed at the disposal of His Excellency by the Mayor)

6.00 p.m. Leave Midland for Quebec, via Toronto.

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OFFICE OF THE PRIME MINISTER

MEMORANDUM

26/9/38
C150509

Miss Walker

There is an interesting reference to this subject in the Canadian Historical Review (June, 1938), at p. 183.

Jas.

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Governors-General
"Tweedsmuir"

C150510

[redacted]

MEMORANDUM FOR THE PRIME MINISTER

MEMORANDUM CONCERNING A SPEECH OF HIS EXCELLENCY THE GOVERNOR-GENERAL, DELIVERED AT THE ANNIVERSARY DINNER OF THE CANADIAN INSTITUTE OF INTERNATIONAL AFFAIRS AT MONTREAL, OCTOBER 12TH, 1937.

January 7, 1938.
J.E.R.

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Confidential

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C150512 JER/S
Jan.5,1938.

[redacted]

Memorandum concerning a Speech of His Excellency the Governor-General, delivered at the Anniversary Dinner of the Canadian Institute of International Affairs at Montreal, October 12th, 1937

---

1. This speech was delivered at the dinner in Montreal, given to celebrate the tenth anniversary of the founding of the Institute. The Institute is an organization with branches in the more important Canadian urban centres. The membership consists of Canadians who are interested in the study of international affairs. It is not a political organization. It provides a place where international questions are considered and discussed without prejudice.

2. The Anniversary Dinner provided an occasion for reviewing the nature of the activities of the Institute and for appraising their value to the members and to the country. The statements made by Mr. Dafoe, by the Chief Justice of Ontario, by Sir Campbell Stuart, Mr. Mallory, Mr. Mackenzie King, Mr. Gouin, Mr. Tarr and Mr. Claxton, indicate the

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general theme of the discussion. In the circumstances it was inevitable that His Excellency, an original member of the Royal Institute, should talk about the character of the Institute's activities, the approach to the studies conducted by its members, and its relationship to the country.

3. A copy of the Report is annexed, containing the text of His Excellency's speech. An examination of the speech as a whole in its setting, makes it perfectly clear that it could not fairly be criticised unless His Excellency is to be restricted to colourless comments upon the weather, on art and on literature.

4. Severe criticisms have been made by extracting a sentence or two from the speech, disregarding the context and the occasion and stressing the meaning of isolated phrases.

5. The most serious attacks have been made by the Hon. C. H. Cahan in an address before the Montreal members of the Royal Empire Society, October 29, 1937, by Mr. John Bassett, the publisher of the

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Montreal Gazette, in addressing the Association of Canadian Advertisers on December 10th, and by the Telegraph-Journal of St. John, December 2nd.

6. Objections to the speech are largely based upon excerpts from the following two paragraphs:

> "This attitude must be mainly determined by the citizens themselves. The day has gone when foreign policy can be the preserve of a group of officials at the foreign office, or a small social class, or a narrow clique of statesmen from whom the rest of the nation obediently takes its cue. Today the problems affect us all too vitally in our private interests. The foreign policy of a democracy must be the cumulative views of individual citizens, and if these views are to be sound they must in turn be the consequence of a widely diffused knowledge.
>
> "From this duty no country is exempt. Certainly not Canada. She is a sovereign nation and cannot take her attitude to the world docilely from Britain, or from the United States, or from anybody else. A Canadian's first loyalty is not to the British Commonwealth of Nations, but to Canada and to Canada's King, and those who deny this are doing, to my mind, a great disservice to the Commonwealth. If the Commonwealth, in a crisis, is to speak with one voice it will be only because the component parts have thought out for themselves their own special problems, and made their contribution to the discussion, so that a true common factor of policy can be reached. A sovereign people must, as part of its sovereign duty, take up its own attitude to world problems. The only question is whether that attitude shall be a

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"wise and well-informed one or a short-sighted and ill-informed one. Therefore we need knowledge - exact knowledge - and it is one of the objects of this Institute to provide that."

7. Mr. Cahan's objection is largely directed to the sentence which reads:

"A Canadian's first loyalty is not to the British Commonwealth of Nations but to Canada and to Canada's King, and those who deny this are doing, to my mind, a great disservice to the Commonwealth."

The objection is based upon the view that there can be no division of loyalty, that the Crown is indivisible, and that, while the King is King of the Canadians, he is not King of Canada. The last conclusion is supported by a lengthy analysis of the B.N.A. Act. It is also based upon a recital of the resolutions of the Imperial Conferences of 1923 and 1926, stressing particularly the obligation for consultation in international relations dealing with matters of common interest. Reference is made to the statement in the Imperial Conference Report of 1926 as to the large share of Great Britain in foreign affairs and defence, and to the provisions of the Statute of Westminster, especially the recital dealing with the question of alteration in the law touching

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the Succession to the Throne and the Royal Style and Titles. Mr. Cahan takes the view that loyalty to the Commonwealth implies strict fidelity to the constitutional conventions which its members have now undertaken or may hereafter undertake. He stresses the need for cooperation and collective action and for unity in the administration of the common interests of the Commonwealth. He suggests the interchange of High Commissioners, whose chief duty should be to assist in developing, as far as possible, a joint policy in respect of all international affairs of common interest in the Empire.

Mr. Bassett's criticism is similar in character.

The position taken by the Telegraph-Journal is a typical statement of a staunch Imperialistic point of view.

8. The strength of Mr. Cahan's position is in its apparent foundation upon the Constitution. Its weakness is based on its neglect of a simple, but fundamental, legal principle.

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International relations are within the scope of the Royal Prerogative. Neither the Parliament at Westminster nor the Parliament of Canada has, to any noticeable extent, entrenched upon the prerogative power of the King in the conduct of international relations or in the exercise of the treaty-making power. Both in Colonial times and at present, international relations have been conducted by and in the name of the King. In so far as legal power is concerned, governments and parliaments do not enter into the picture. Parliament could step in and entrench upon the power but it has not done so.

It has become a recognized convention of the constitution that the King does not act of his own motion in the conduct of international affairs. He acts on the advice of his Ministers, and the constitutional changes which have taken place have largely consisted of changes in the practice of advising the King in the exercise of his prerogative power.

In Colonial times the King acted upon the advice of his Ministers at Downing Street in matters which conerned Great Britain or Canada. Today, the King acts in matters which concern Canada in accordance with the advice of his Canadian Ministers. Legally,

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there has been no change; constitutionally there has been a fundamental change whereby the King seeks the advice of his Ministers in Ottawa, rather than the advice of his Ministers in London. There are matters that concern both London and Ottawa and, in such cases, the King acts upon their joint or several advice.

Mr. Cahan makes much of the point that there are certain things that the Canadian Government cannot do, but he ignores the point that, in corresponding matters, the Ministers in the United Kingdom are equally impotent. For example, he states:

> "In effect Canada may not declare war nor proclaim her neutrality nor make peace independently in any war in which the United Kingdom is involved without thereby declaring her secession from the British Commonwealth of which Canada now forms an integral part."

He overlooks the fact that the United Kingdom may not declare war nor proclaim her neutrality nor make peace independently in any war in which Canada is involved without thereby declaring the secession of the United Kingdom from the Commonwealth. He is prepared to deny to a Canadian the privilege or obligation of loyalty to Canada, but it is doubtful whether he would condemn in equal terms the loyalty of an Englishman or a Scotsman

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to Great Britain. He is prepared to question the privilege or obligation of the Canadian to consider international problems in the light of his loyalty to Canada, but one wonders whether he would have the Englishman or Scotsman disregard his loyalty to the United Kingdom in the consideration of international problems.

9. The following points require special consideration:

(a) Can the question be raised in the House?

It is clear that no member may speak disrespectfully of the Governor General (Beauchesne, Parliamentary Rules and Forms, Rule 19; Standing Orders of the House of Commons, No. 41).

It is also clear that any allusion to the personal views of the King or of the Governor General, in such a manner as would influence the judgment of members, would be contrary to the Rules of the House (Anson, Law and Custom of the Constitution, 5th Ed. Vol. 1, pp. 332, 333). (Bourinot, Parliamentary Procedure and Practice,

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2nd Ed., pp. 410, 411.)

On the other hand, Bourinot points out that it is not unusual in the Canadian House for the Leader of the Government to make statements with reference to the relations between the Cabinet and His Excellency the Governor General, or in answer to false reports in the public press.

There seems, however, to be no rule preventing a discussion by Parliament of the action of the Sovereign or of his representative. While such a debate, obviously, should not be lightly undertaken, the authority of Parliament to discuss royal acts or statements, is an essential part of our constitutional system. The Stuart period is replete with precedents, but we do not need to go back much more than a year to the time of the abdication, to find instances of discussion in all of the Parliaments of royal acts or proposals.

Accordingly, while it would be most undesirable to adopt any course of action that

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would interfere with the power of Parliament to debate royal or vice-regal conduct or statement, it might well be urged that the exercise of such power should be reserved for serious matters.

(b) Assuming that the question can be raised in the House, what courses of action are open to the Government?

There are three courses of action available:-

(i) <u>Complete responsibility could be assumed ab initio.</u>

This course would involve assumption that the Governor General's speech had been previously authorized by the Cabinet as a statement of governmental policy, either by its having been prepared by the Government, or submitted before-hand by the Governor General, and approved. This assumption is probably untenable in fact.

This course is also open to the serious objection that it would not be in accordance with constitutional practice for the Crown to express the views of the Government on questions of policy, save in the Speech from the Throne and other formal

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communications to Parliament which are sanctioned by usage.

(ii) <u>The Government could accept responsibility for the Governor General's Statement.</u>

It is clear that the statement is defensible, and sets forth the present constitutional position.

On the other hand, it is equally clear that the making of a defensible statement in a controversial matter would not be justifiable. This course would, therefore, be unsatisfactory and would be open to the same general objection as the preceding course.

(iii) <u>The Government could, without accepting responsibility for the Governor General's statement, take the position that the Governor General was justified in discussing a matter of this sort and in expressing his personal views.</u>

This position would be open to the Government, whether or not the speech had been previously examined and approved. In such a case, the previous examination would necessarily be restricted to determining whether the matter was controversial, and would not carry with it governmental approval. For example, assuming a case in which the Governor-General proposed to deliver a speech, the subject

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matter being Etruscan Art, an examination by the Government would involve a finding that the subject matter was suitable, rather than approval of his aesthetic opinions.

It is clear that the Governor General can, with propriety, discuss non-political matters and non-controversial political matters. It is equally clear that he cannot properly discuss controversial political matters.

Setting aside, for the moment, non-political topics, such as art, literature, etc., and considering only the topics which may have some political aspects, the Governor General is faced with a line of demarcation which is easily defined, but not so readily determined in practice.

It is clear that the Governor General can talk generally about the state of the world, international affairs, loyalty, patriotism, and general historical, political, and economic questions. In so doing, he is bound to avoid those aspects of the questions which are currently in controversy. He must not over-step the line between that which is controversial and which is not controversial.

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Bearing in mind the nature of his task, it is submitted that he can only be brought to task if he shows bad faith or negligence in over-stepping the line of demarcation.

Bringing these principles to bear upon the present case, it is clear that there has been no question of bad faith or negligence on the part of the Governor General. He was talking about a subject matter which no fair-minded Canadian would have regarded as being a matter of political controversy in our day and generation. He was discussing one aspect of this subject matter, namely the conception of loyalty, which, again, no fair-minded Canadian would have regarded as being a matter now in controversy. He expressed his opinion, which was in accord with the definitely expressed views of the leaders of the Canadian parties on both sides of the House, entirely in accordance with the principles expressed and practiced by his principal critic, and in complete harmony with the present position of Canada as established by legislation, by resolutions of Imperial Conferences and by the practice of successive governments.

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It is submitted that the Governor General cannot, in any way, be criticized, by reason of the fact that his very clear statement of a commonly-held Canadian viewpoint happened to fan the ebbing fires of an effete colonialism and cause them to emit a few straggling sparks.

The revival of the controversy by Mr. Cahan, Mr. Bassett and the St. John Telegraph Journal creates a situation in which it would be obviously inappropriate for the Governor General to discuss the matter at the present time,- a matter which was non-controversial last October is now controversial. But the subsequent emergence of the controversy cannot now vitiate action which was right on the 12th October, 1937.

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Supplementary Note

In one sense, the soundness of the Governor General's opinion is not a relevant issue. A similar question was raised by the late John S. Ewart when he criticized Earl Grey for the advocacy of Imperialistic views. Mr. Ewart said:

> "Some Imperialists will not agree with what I have said. They will urge that Lord Grey's views are right. I reply that that is not the point. If Lord Grey advocated Nationalism, I should say that his views were right, but I should agree that advocacy of them by him was wrong. It may be said that the questions involved are of the highest and most vital importance. That is true. But His Excellency is precluded by his office from discussing them. The only argument in favour of appointing an Englishman rather than a Canadian to the headship of our Government is that he is supposed to be able on that account to act a more impartial part, and to keep more aloof from political strife."

There is, however, another aspect of the problem. Without questioning Mr. Ewart's opinion, it may be pointed out that it is impracticable to avoid consideration of the soundness of the Governor General's views in determining the more directly relevant issue as to whether they were controversial in character.

In approaching this problem, it is difficult to find any direct indication of the views

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of political leaders and any direct treatment, either by constitutional authorities or by governmental conferences.

Taking the sentence of the Governor General's, upon which attention has been focused, it will be observed that it discusses the question of a Canadian's first loyalty and the character of the Kingship.

Considering, first, the question of a Canadian's first loyalty, it may be observed that the matter does not appear to have been directly dealt with in any of the resolutions of the Imperial Conferences, or of the Conference on the Operation of Dominion Legislation.

There have been ample discussions of national status. There is definite recognition of the conception of nationality as expressing the relationship between the individual and the member of the British Commonwealth to which that individual belongs. Reference may here be made to paragraphs 73 to 79 of the Report of the Conference on the Operation of Dominion Legislation 1929 and to Section VI (b) of the Summary of Proceedings of the Imperial Conference 1930, and to the Summary of

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Proceedings of the Imperial Conference 1937, at pp. 23 to 26 inclusive. It is also recognized that the members of the Commonwealth are united by a common allegiance to the Crown and that this allegiance is the basis of the common status possessed by all subjects of His Majesty (O.D.L. Report 1929, Para. 75). This common status is described by the term "British Subject" which does not mean "subject of Great Britain". It is a term of long-standing, and denotes, generally, all subjects of His Majesty, to whatever part of the British Commonwealth they belong (I.C. Report 1937, p.23). Bearing in mind the endorsation of the 1929 and 1930 reports by the Parliament of Canada and by all parties, the existence of the two types of status is clearly recognized.

The question of allegiance has also been dealt with in explicit terms. In the Summary of Proceedings of the Imperial Conference 1926, is to be found the statement as to the position and mutual relation of Great Britain and the Dominions,

> "They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown and freely associated as members of the British Commonwealth of Nations". (p.14).

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Reference has already been made to Para. 75 of the O.D.L. Report 1929, where it is pointed out that the common allegiance to the Crown of the members of the Commonwealth, is the basis of the common status possessed by all subjects of His Majesty.

The universal acceptance of this conception is further indicated by the second recital of the Statute of Westminster, dealing with the question of alteration in the law touching the succession to the Throne:

> "And whereas it is meet and proper to set out by way of preamble to this Act that, inasmuch as the Crown is the symbol of the free association of the members of the British Commonwealth of Nations, and as they are united by a common allegiance to the Crown, it would be in accord with the established constitutional position of all the members of the Commonwealth in relation to one another that any alteration in the law touching the Succession to the Throne or the Royal Style and Titles shall hereafter require the assent as well of the Parliaments of all the Dominions as of the Parliament of the United Kingdom:"

The national status of individuals and the conception of the common allegiance to the Crown of the members of the British Commonwealth, have been specifically and completely dealt with. On the other hand, there does not appear to be any discussion of the conception of loyalty. Loyalty, of course, is not a matter for the lawyers or the constitutional pundits,

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it is a moral and emotional response of a human being to the traditions, environment and political and constitutional circumstances in which he lives. It may reasonably be assumed that the politicians and constitutional authorities felt hesitant about the attempt to give authoritative definition to the conception of loyalty.

Similarly, a cursory search of the pronouncements of Canadian public men fails to disclose any discussion of loyalty as such.

On the other hand, a study of the pronouncements of Canadian public men shows plainly that the corner stone of their political philosophy and practice is a deep and abiding loyalty to Canada.

Mr.Cahan's speech on the Sino-Japanese situation (Hansard 1932-1933, Vol. 5, May 16, 1933; pp. 5059-5067) is an excellent example. The general tenor of his speech, dealing with matters of high policy, involving issues of peace and war, makes it very clear that his acts and words at Geneva were determined by loyalty to Canada and to Canada's King:

> " . . . I deemed it expedient at the special assembly in December last to refer to Canada's now historic point of view, inasmuch as it was then evident that there were delegates

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"from some of the recently organized states of Europe, who foresee that coming events may place their own state boundaries in jeopardy, and who were disposed to press for an arbitrary condemnation of Japan and the premature enforcement, in their interests, of the sanctions prescribed by the provisions of article 16.

I would like to suggest that one occupying the position I did, representing Canada and standing before that assembly of representatives from all parts of the world, must necessarily feel a great responsibility indeed, in view of the fact that to attain the ultimate end sought by many of the delegates might have involved placing upon Canada the responsibility of again sending her military forces into the far east for the preservation of peace in Manchuria. And knowing as I did, the historic development of opinion in Canada with regard to article 10, I conceived it my bounden duty to state to that assembly what I believed to be the prevailing public opinion in Canada which has been accepted and endorsed by each successive government in our country, in order that there might be no misapprehension as to the position which I as a delegate of Canada was then taking.

Article 16 would involve:

The severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant breaking state, and the prevention of all financial, commercial or personal intercourse between the nationals of the covenant breaking state and the nationals of any other state, whether a member of the league or not."

The same observations could be made with regard to Mr. Bennett's speech (See Hansard 1936, Vol. 4, June 18, 1936, pp. 3894-3895):

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". . . Why should we take some action just because some other nation has? Why should we determine that we shall abandon sanctions because some other nation is about to do so?

"An hon. Member: Because Great Britain has.

"Mr. Bennett: If Great Britain abandoned sanctions Great Britain has good reasons. What reasons are there that we should do the same? Our peace is not disturbed; our shores are not invaded.

"Mr. Mackenzie (Vancouver): It would be entirely ineffective.

"Mr. Bennett: Not as far as Canada is concerned. It would lessen our trade; it would prevent Italy from receiving from us certain commodities that she otherwise would receive, but we should stand as an example to the world that a new democracy is blazing for itself a new pathway of rectitude in regard to a position which she had accepted under the League of Nations. That is what it would mean. One may say that that is absurd; that one nation does not count, especially on the north American continent. Ah, well, example is very great. We being a small power in numbers, without military equipment that could possibly be utilized in any prospect of war, whether on sea or on land or in the air, that was eliminated in the very first discussion which took place. Then why should we acquiesce when we have no complications in our national life such as the nations in Europe have?

There is, of course, no need to refer to the pronouncements of the leaders of the other opposition parties. Without expressing any approval or disapproval of their policies, it can be stated that no person would ever suggest that their political philosophy was founded upon anything other than loyalty to Canada. Accordingly,

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it could reasonably be assumed by the Governor General, at the date of the address, that there was general agreement by all political parties on the question of loyalty to Canada. The subsequent emergence of controversy is an irrelevant consideration.

The other aspect of the Governor General's statement, to which exception has been taken, namely, that a Canadian's first loyalty is to Canada's King, is subject to somewhat different considerations. It is submitted that the critics have failed to understand the plain meaning of the Governor General's words. It is probable that they did not have access to a proper text of the speech, and it is almost certain that they did not have access to a complete report of the other speeches delivered on the same occasion.

The Governor General's statement cannot properly be interpreted as a negation of sovereignty on the part of King George VI over the United Kingdom or over any other part of His Majesty's dominions. It can only properly be interpreted as stressing the fact that King George VI is King of Canada, As such, he is entitled to the allegiance of all Canadians. As a result of this allegiance, there is undoubtedly an obligation

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of loyalty on the part of Canadians to their King. Certainly, it is a matter of actual fact that loyalty exists and has been abundantly evidenced in word and in deed. The provisions of the Statute of Westminster, the King's title, the abdication legislation, the terms of the coronation oath as revised, all emphasize the aspect of the kingship upon which the Governor General directed his attention in the sentence which has been criticized.

There has been, of course, some controversy among the lawyers and constitutional authorities with regard to the divisibility or the indivisibility of the kingship. It is probable that the Governor General's critics had this controversy in mind and that they regarded his statement as tending towards one side or another of this controversy. There is no reasonable interpretation of the Governor General's statement which would draw it within the field of that controversy. It is a simple statement by a person who is not a constitutional expert, of a simple fact. There is no indication that the speaker was even aware of the existence of this constitutional controversy and it is most unfair to suggest that he was in any sense taking sides. It is submitted

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that no Governor General should be criticized for a statement with regard to a simple fact, with a simple meaning comprehensible to all ordinary men, merely by reason of the fact that it may be possible to drag that simple statement, by means of implications comprehensible only to a few experts, into the field of constitutional controversy.

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CANADIAN INSTITUTE OF INTERNATIONAL AFFAIRS
43 ST. GEORGE ST., TORONTO

C. I. I. A. NOTES

NOVEMBER, 1937 — No. 3

FOREWORD

By E. J. Tarr, K.C.
President of the Institute

Distances are so great in Canada that if a nation-wide organization like the Institute is to operate as a unit it is almost inevitable that a great many decisions be taken by a small group of those who are not in close contact with more than two or three of the branches. In these circumstances we should guard against the danger of the central organization—the National Council, the Executive Committee, the Research Committee, and the office of the national secretary—losing touch with the needs and desires of the branches and of the individual members. It cannot be emphasized too strongly that the central organization should represent and serve the interests and needs of the branches and individuals of which the Institute is composed. It follows that branches and individual members should feel under obligation to exercise an unrestricted right of comment and criticism, though it should always be borne in mind that criticism to be effective should be constructive. Unless opinions are expressed and suggestions freely offered, the possible usefulness of the central committees will not be fully achieved, through no fault of their own but rather because of the neglect of branches and individuals.

ANNIVERSARY DINNER, MONTREAL, OCTOBER 12, 1937

The Institute celebrated the tenth anniversary of its founding at a dinner at the Ritz Carlton Hotel, Montreal, on October 12. His Excellency the Governor-General was present and delivered the principal address. The Right Hon. W. L. Mackenzie King, Prime Minister of Canada; the Hon. N. W. Rowell, Chief Justice of Ontario; Sir Campbell Stuart, representing the Royal Institute of International Affairs; Mr. W. H. Mallory, representing the Council on Foreign Relations, New York; Mr. Léon Mercier Gouin; Mr. J. W. Dafoe, the retiring president of the Institute; Mr. E. J. Tarr, the new president; and Mr. Brooke Claxton, chairman of the Montreal Branch, also spoke. Mr. Dafoe presided.

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In his opening remarks, Mr. Dafoe recalled the meeting, held nearly ten years ago at the home of Sir Robert Borden in Ottawa, at which the Canadian Institute of International Affairs had been organized. That meeting, he said, was an event of national importance. He referred to the great part played by Sir Robert Borden in building up the Institute, and to the work of John Nelson, the real founder of the Institute, whose efforts had been directed for two years to the establishment of an organization in Canada which would be affiliated with the Institute of Pacific Relations and the Royal Institute of International Affairs. Mr. Dafoe then called upon one of the original members of the Royal Institute, John Buchan, "under his well-known alias of Lord Tweedsmuir", to give an address.

His Excellency spoke as follows:

"I am very glad to be here to-night. This is the first occasion on which I have had the privilege of meeting the members of your Institute of International Affairs. A Governor-General, I need hardly remind you, has to walk warily. In the domestic affairs of the country where he represents the King, he can have no views on policy except those of his ministers. And even on international questions he is in a position of some delicacy, for to-day international problems have the unhappy knack of also becoming domestic problems and dividing people into party groups.

"So, gentlemen, to-night you will not hear from me any views on international policy. I have my views, of course, but at present they are not for publication. But there is one thing on which I can speak frankly. The purpose of your organization is study. You are a forum for discussion, not an agency for propaganda. Your business is to acquire expert knowledge about the data on which policies must be framed. Now, that is a purpose whose value is altogether beyond question. No policy is of any use unless it is adequate to the facts, and the first duty of the citizen is to inform himself of the facts.

"In the old days in Britain foreign affairs were very largely a matter of platitudes and sentiment. We were moderately disturbed by matters like the Risorgimento in Italy and by Turkish misrule in the Near East. A great orator like Mr. Gladstone could arouse the emotions of his countrymen to a high pitch over such matters. Foreign questions, too, now and then seemed to threaten the safety of the Empire's frontiers, and to arouse patriotic anxieties. But these occasions were not very numerous. On the whole, one may say that till thirty or forty years ago foreign affairs had only an academic interest for the ordinary British citizen.

"How different it is to-day! The world has been telescoped, distances have shrunk, and every nation is in some kind of uneasy bondage to the others. What is happening three thousand miles away may have a direct effect upon the safety and prosperity of the private citizen. Therefore every nation must have a foreign policy in the sense that it must consider its position vis-à-vis the world at large. No country can seclude itself and declare that it will go its own way without troubling its head over what other people are doing. Its political security, its economic prosperity, compels it to have some reasoned attitude towards the outer world.

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"This attitude must be mainly determined by the citizens themselves. The day has gone when foreign policy can be the preserve of a group of officials at the foreign office, or a small social class, or a narrow clique of statesmen from whom the rest of the nation obediently takes its cue. To-day the problems affect us all too vitally in our private interests. The foreign policy of a democracy must be the cumulative views of individual citizens, and if these views are to be sound they must in turn be the consequence of a widely diffused knowledge.

"From this duty no country is exempt. Certainly not Canada. She is a sovereign nation and cannot take her attitude to the world docilely from Britain, or from the United States, or from anybody else. A Canadian's first loyalty is not to the British Commonwealth of Nations, but to Canada and to Canada's King, and those who deny this are doing, to my mind, a great disservice to the Commonwealth. If the Commonwealth, in a crisis, is to speak with one voice it will be only because the component parts have thought out for themselves their own special problems, and made their contribution to the discussion, so that a true common factor of policy can be reached. A sovereign people must, as part of its sovereign duty, take up its own attitude to world problems. The only question is whether that attitude shall be a wise and well-informed one or a short-sighted and ill-informed one. Therefore we need knowledge—exact knowledge—and it is one of the objects of this Institute to provide that.

"But we need something more. We must understand not only the facts about foreign nations, but their point of view. In the past we have been far too fond of blind antagonisms. The popular mind has been pro one nation or anti another, 'phil' one thing or 'phobe' something else, very largely out of a vague sentiment or prejudice.

"That attitude is impossible to-day. Things are too serious for mere prejudice and sentiment. There is a crying need everywhere for the right kind of propaganda. Propaganda can be a horrible thing when it means the dissemination of falsehood and bitterness. But it can be a very fine thing when it is directed towards a truer understanding by the nations of each other. We in Britain have been always rather bad at the job and have despised it, and consequently a good many absurd fallacies about ourselves have grown up in foreign countries. Now the supreme truth we have learned in recent years has been the interconnection of nations, the community of interests of the world at large, the truth that no country is prosperous because of its neighbours' misfortunes, but only because of its neighbours' well-being.

"But this truth by itself is valueless unless it leads to a fuller knowledge of those neighbours who matter so much to us. We want to understand their point of view. That does not mean necessarily that we should share it, for their point of view may be wrong; but if we have to fight it, we shall fight it all the better for understanding it.

"We must have more than knowledge; we must have sympathy. As someone has said, our problem is to make certain that the democracy in which we believe can live peaceably side by side with creeds which are not democratic. It is not for us to declare that we are the people, and that wisdom will die with us. Tolerance of other forms of

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government abroad should be part of every democrat's creed. There is a famous French proverb, 'Tout comprendre c'est tout pardonner'. That always seems to me slightly patronizing, and I prefer the form of Madame de Staël—'Tout comprendre nous rend très indulgents'. A great German philosopher once said truly that the essence of tragedy was not a clash between right and wrong, but a clash between two rights.

"I remember that my old friend, James Bryce, was never tired of insisting that there must be some element of truth, some kernel of honest idealism, in any creed which moves the heart of a large body of men, and that it was our duty to discover that kernel of truth, that element of value. This wise attitude seems to me especially important to-day. We see much in certain other countries which we dislike. But surely the right way is not blind condemnation, as if they had sold their souls to the devil. The Prime Minister said very truly the other day that he disliked the facile use of words like 'Fascism' and 'Communism' as terms of abuse, since the taunt of Fascism was used too often against a perfectly reasonable attempt to maintain law and order, and the taunt of Communism to decry some rational scheme of social reform. It is our business in studying the mind of foreign peoples to look for the kernel of truth, the element of value which must be there. It may be preposterously overstated, it may even be hopelessly perverted; but we shall be far better able to check its perversions and reduce folly to sanity if we recognize what is sound and true in it.

"The purpose which your Institute sets before itself is not merely to provide a limited number of cultivated men and women with accurate knowledge. It will help, I trust, here and in Britain to create that spirit without which a true internationalism is impossible. The League of Nations has not succeeded as we had hoped, because it had not an adequate spiritual force behind it. There was a famous church father in the middle ages, Bernard of Morlaix, who wrote a Latin hymn, some lines of which never cease to haunt my mind. 'Who will achieve universal peace?', he asks, and his answer is: 'The disciplined, the dedicated, the pure in heart and the gentle in spirit'. Every lawyer knows that the wisest law will not succeed unless it is in tune with the spirit of a people. If it is too far ahead of that spirit it will be a dead letter. No international mechanism which the wit of man can frame will succeed unless there is behind it, in the world at large, the proper temper of mind. To create and maintain this temper is the first duty of every civilized man."

The Hon. N. W. Rowell proposed the toast to the sister organizations—the Royal Institute of International Affairs, the Council on Foreign Relations, and the Institute of Pacific Relations. He spoke briefly of the work of the Royal Institute, noting particularly that it included in its programme study and research on Commonwealth relations. The Institute of Pacific Relations, he said, had contributed much to a better understanding of the problems of the Pacific. The Hon. Mr. Rowell complimented the Council on Foreign Relations on its publication of one of the most useful journals in the world dealing with foreign affairs. He referred to the intimacy of the relations between Canada and the United States which made American views of

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foreign affairs of the deepest concern to Canada, and noted that President Roosevelt's courageous Chicago speech had been read with profound interest by Canadians.

Sir Campbell Stuart, replying on behalf of the Royal Institute, congratulated the Canadian Institute on its accomplishments in its first ten years, and expressed the hope that the great work to which it had set its hand would help "to give the rising Canadian generation a true perspective of the part their country has played and can play in guiding and shaping the destinies of mankind".

Mr. Walter H. Mallory, of the Council on Foreign Relations, New York, expressed the hope that the collaboration between his organization and the Institute would be increased, and suggested that there were many problems in the foreign relations that were common to Canada and the United States which it would be profitable for the Institute and the Council to discuss jointly.

The Right Hon. W. L. Mackenzie King, Prime Minister of Canada, had not intended to give an address, but was prevailed upon to speak extempore. The Prime Minister expressed his gratitude to the Institute for its work in creating a body of public opinion well informed on questions of foreign affairs. "I am happy indeed", he said, "to enlarge the source of guidance and inspiration in respect to the shaping of the policies of our country in external relations to far beyond the Cabinet and to include in it the members of this great Institute. It has been of inestimable value to the Department of External Affairs to have had the able and informed addresses which from time to time have been given and publicized by members of the Institute. No man in Canada knows better than I do how necessary it is to have the truth spoken with reference to all that pertains to foreign nations, and no man knows better than I do in this country the harm that can be done by misrepresentation in whatever relates to relations with foreign countries. I have felt that more and more in the last two months than I have ever experienced in my public life."

In the course of his remarks the Prime Minister also said:

"I have been impressed with the fact that half the problems the Government are confronted with, dealing with external affairs, are created by some hasty word, some false rumour or report with respect to what has been done at Geneva or Ottawa.

"Some of us who are struggling with these questions of public affairs have the feeling that after all a little inquiry before criticism might help to save a great deal of false representation and misleading views in regard to existing situations, and I hope those who have to do with the understanding of international problems, if ever the opportunity presents itself, will do something to give to our own people and the peoples of other countries a kindlier interpretation rather than a harsh one, and then you will have gone a long way towards solving the problems of to-day. After all, the maintenance of peace is more dependent on the spirit that men exhibit in their thought and actions, and I believe that our country, with its intimate associations with the country to the south, with the great nations of the British Commonwealth, and above all with the British Isles, and with France and

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other countries, has within its power to give an interpretation to many of the situations that may arise that is not within the power of any other country to give. Let us not be afraid to do the things that will help our country to do its best and play its part in a way that will be for the good of all humanity."

Mr. Léon Mercier Gouin, proposing the toast to the Institute, declared that the policy of the Institute was to have no policy. In the Institute no member was forced to adopt any definite view. They simply tried to ascertain the facts and to adopt a "disinterested, scientific method" in their approach to international problems.

Mr. E. J. Tarr, K.C., the new president of the Institute, spoke of the unofficial conferences in which the Institute participated. Canadian delegates to such conferences had performed an important service to Canada by making Canada's position known, by acting as arbitrators on occasion, and by instructing others in the technique of Round Table discussion that had been developed in Canada. "There is no question", Mr. Tarr said, "that Canada has made and can make a worthwhile and distinctive type of contribution to international affairs, not because of superior qualities but because of different characteristics and different backgrounds. Knowledge is essential to progress and co-operation and I hope the Institute may be one of the constructive factors in our national life, making possible a creditable contribution by Canada in the realm of international affairs."

Mr. Brooke Claxton spoke briefly of the activities of the Montreal Branch and of the Institute in general.

Messages were read from Viscount Cecil, the Right Hon. R. B. Bennett, the Hon. Newton D. Baker, the Hon. Vincent Massey, and Mr. R. L. Buell, president of the Foreign Policy Association of the United States.

The chairman, Mr. Dafoe, in closing said that of all the disinterested work on which he had ever embarked his activities in connection with the Institute had come first. He felt that the Institute was performing a great service in bringing together people of conflicting views and promoting the spirit of understanding which is so necessary at this time.

With the speakers at the head table were the Hon. G. H. Sedgewick, K.C., the Hon. C. H. Cahan, K.C., M.P., Senator Beaubien, Sir Edward Beatty, G.B.E., Colonel Willis O'Connor, Major A. S. Redfern, and Mr. J. M. Macdonnell, chairman of the Executive Committee of the Institute.

Others present included: B. M. Alexandor, Professor H. F. Angus, C. T. Ballantyne, J. R. Ballantyne, John Basset, L. G. Beaubien, L. E. Beaulieu, K.C., L. J. Belnap, Jacques Bieler, Colonel O. M. Biggar, K.C., Gerald W. Birks, W. M. Birks, E. G. Black, E. H. Blake, Dr. W. H. Brittain, A. N. Budden, W. H. Budden, A. K. Cameron, E. M. Campbell, George A. Campbell, K.C., G. S. Challies, J. B. Challies, F. S. Chalmers, Murray Chipman, W. F. Chipman, K.C., W. McL. Clarke, Ross Clarkson, Colonel the Hon. H. Cockshutt, D. C. Coleman, F. B. Common, K.C., Senator Louis Coté, K.C., B. W. P. Coughlin, G. S. Currie, Norman J. Dawes, A. O. Dawson, LL.D., Professor J. P. Day, W. Roy Dillon, S. H. Dobell, S. G.

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Dobson, Jackson Dodds, Monteath Douglas, G. H. Duggan, D. A. Dunton, Dr. E. M. Eberts, Lieutenant-Colonel George H. Ellis, Philip Fisher, Andrew Fleming, Dr. A. Frigon, Harold Fry, A. Gérin-Lajoie, K.C., A. O. Gibbons, W. W. Goforth, H. C. Goldenberg, Sir Charles Gordon, K.B.E., Lieutenant-Colonel G. L. P. Grant-Suttie, C. E. Gravel, Dr. Fraser Gurd, John T. Hackett, K.C., Francis Hankin, L. W. Haslett, Charles Hébert, A. D. P. Heeney, Clinton Henderson, C. H. Herbert, Brigadier-General F. W. Hill, J. Hobbs, Senator A. K. Hugessen, K.C., G. M. Hyde, John M. Imrie, S. W. Jacobs, K.C., M.P., H. T. Jamieson, R. P. Jellett, F. I. Ker, I. W. Killam, A. L. Lawes, T. B. Macaulay, Ross Macdonald, L. R. MacGregor, Colonel C. S. MacInnes, Professor R. A. MacKay, Professor N. A. M. MacKenzie, the Hon. Mr. Justice MacKinnon, E. A. Macnutt, J. E. MacPherson, R. J. Magor, Hugh Mathewson, J. G. McConnell, J. W. McConnell, H. E. McCrudden, Bruce McDonald, George C. McDonald, R. S. McLaughlin, D. M. McLean, H. McLean, L. McLean, N. J. McLean, Ross H. McMaster, E. N. Mercer, Allan M. Mitchell, R. D. Mitchener, Colonel Herbert Molson, G. H. Montgomery, K.C., Henry Morgan, René Morin, Donald A. Morrell, J. Aird Nesbitt, S. R. Noble, S. C. Norsworthy, Sidney D. Pierce, Norman Prentice, L. E. Reford, Escott Reid, Jas. Richardson, W. W. Robinson, E. B. Rogers, P. W. Rolleston, John W. Ross, A. Savard, Ernest Savard, S. C. Scobell, the Hon. Gordon W. Scott, C. F. Sise, P. F. Sise, the Rev. A. Lloyd Smith, H. L. Smith, F. N. Southam, G. W. Spinney, J. E. W. Stephenson, Arthur Surveyer, the Hon. Mr. Justice Surveyer, H. J. Symington, K.C., Leslie Thomson, Rielle Thomson, H. P. Thornhill, R. A. Timmins, E. A. Walford, Hugh M. Wallis, A. C. Walwyn, V. C. Wansborough, Senator Webster, James Wilson, Morris W. Wilson, Eric Wiseman.

The dinner was arranged by Mr. Brooke Claxton and a committee of the Montreal Branch, to whom the thanks of the Institute are due.

NATIONAL COUNCIL MEETING, MONTREAL, OCTOBER 12

The Annual Meeting of the National Council was held in Montreal on October 12, with 24 members representing 10 branches present. Routine business and questions of policy were considered. It was reported that the total membership of the Institute at October 1 was 920.

The following officers and committee members were elected for the two-year period 1937-9:

Honorary Presidents: The Hon. N. W. Rowell, The Hon. Senator Raoul Dandurand, K.C., The Hon. Vincent Massey, and Mr. J. W. Dafoe.

President: E. J. Tarr, K.C.

Vice-Presidents: The Hon. Senator Louis Coté, Colonel C. S. MacInnes, C.M.G., K.C., Messrs. W. M. Birks, John M. Imrie, J. M. Macdonnell, Arthur Surveyer, J. S. McLean.

Honorary Treasurer: Mr. Norman J. McLean.

Chairman, Research Committee: Professor N. A. M. MacKenzie.

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Co-opted Members of Council: Lieutenant-Colonel G. L. P. Grant-Suttie, Messrs. E. H. Blake, Floyd S. Chalmers, G. deT. Glazebrook, F. R. Scott.

Executive Committee: Mr. J. M. Macdonnell (*Chairman*), Mr. E. J. Tarr, K.C. (*ex officio*), Mr. Norman J. McLean (*ex officio*), Professor N. A. M. MacKenzie (*ex officio*), the Hon. George H. Sedgewick, Lieutenant-Colonel G. L. P. Grant-Suttie, Messrs. E. H. Blake, Floyd S. Chalmers, Brooke Claxton, F. R. Scott, Arthur Surveyer.

The Executive Committee was authorized to appoint the Research Committee for the two-year period.

The Council adopted several amendments to the Constitution. The following section was added to the Article on Publications:

> Article III (2). No Branch or individual member of the Institute shall publish anything bearing the imprint of the Institute or purporting to be issued under the authority or auspices of the Institute unless and until such proposed publication shall have received the approval of the National Council.

Other sections were amended to read as follows:

> Article V (3). The National Council may elect as members-at-large suitably qualified persons who are proposed and seconded by two members of the Institute to whom they are personally known. But such election will not entitle them to any rights or privileges in any Branch, save those extended to them by a Branch on its own initiative.[1]
>
> Article VIII (2). Any member of the National Council may attend and vote at a meeting of the Executive Committee.
>
> Article VIII (4). Copies of notices and minutes of meetings of the Executive Committee shall be sent to all Branches, to all members of the Executive Committee and to those members of the Council who inform the national secretary that they desire to receive them.

At the conclusion of the meeting the gratitude of the Council was expressed to the retiring president, Mr. Dafoe, for his unselfish services to the Institute since its inception and particularly for his services as president during the past two years. The very considerable progress made during that period has been due in large measure to Mr. Dafoe.

SPEAKERS

The question of bringing out a speaker from England to visit all the branches this winter is under consideration. At the recent Council meeting it was agreed that such a speaker should be in general a supporter of the present British government's policy, but not a "white-washer". The names of several speakers have been considered, but no definite invitation has yet been extended.

BRITISH COMMONWEALTH RELATIONS CONFERENCE, 1938

The agenda for the second Commonwealth Relations Conference, which is to be held in Sydney, Australia, in September, 1938, is being

[1]The secretary was instructed to note in the minutes that the Council does not intend to elect as members-at-large *men* who live in localities where a Branch of the Institute is established.

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sent with this number of the *C.I.I.A. Notes* to all members of the Institute. Mr. E. J. Tarr has been appointed chairman of the Canadian delegation. He has already addressed all of the branches on the subject of the conference. Professor F. R. Scott has written the principal data paper for the conference, the first draft of which is now being sent out. It is hoped that each Branch will organize one or more groups to study and criticize this draft report and then go on to study more intensively one or more of the topics on the conference agenda.

The Council is exceedingly anxious that the Institute send a delegation representative of all points of view and able to present those points of view effectively. The selection committee requests that any Institute member prepared to make suggestions as to the personnel of the delegation forward them as soon as possible to the acting national secretary.

CANADA'S FOREIGN POLICY

Publication of the book on *Canada's Foreign Policy*, by Dr. R. A. MacKay and Mr. E. B. Rogers, has been delayed until the new year. The book will contain chapters on the geographic, economic, and demographic conditions in the light of which both internal and external policy must be formulated. The historical section comprises chapters on Canada's relations with the Empire, the League, the United States, the Far East, and the U.S.S.R. There will also be a section devoted to constitutional questions—the actual conduct of external affairs, the treaty power, and the question of neutrality. Finally, there will be a consideration of the alternative policies that Canada might pursue.

INTERNATIONAL STUDIES CONFERENCE

At the National Council meeting in Montreal considerable attention was given to the question of the Institute's participation in the work of the International Studies Conference. The delegates to the recent conference in Paris felt that it would have been much more successful if it had been better organized. In spite of their disappointment, however, they considered that the delegation had rendered an important service to Canada by explaining the Canadian attitude towards certain questions, notably immigration. They were of the opinion that continued participation would be well worth while since the conference was looking towards the better organization of the world community, because the necessity of preparing data papers caused members of the Institute to study international questions that they might otherwise overlook, and because delegates brought home with them much information which, when propagated, contributed towards better understanding. Dr. MacKay agreed to write a memorandum on the origin and work of the International Studies Conference which will be sent to Branch secretaries, from whom members interested will be able to obtain copies.

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STUDY GROUPS

This year the study groups of the Institute will be paying particular attention to problems of British Commonwealth Relations, first studying and criticizing Professor Scott's draft data paper for the Commonwealth Relations Conference next year, and then studying in detail one or more of the sub-divisions of the conference agenda. Most of the Branches have already organized groups to study Professor Scott's report and the Winnipeg group will probably divide into two or three sub-groups to study particular topics. Other Branches are planning to have study groups or Round Tables as follows: *Montreal:* Canada and the Problem of the International Labour Unions; *Ottawa:* Canada and the Far East; *Toronto:* (1) The Constitution, (2) Taxation Problems; *Victoria:* Canadian-American Relations (tentative).

ARTICLES OF INTEREST

Members of the Institute may be interested in an article on "The Imperial Conference, 1937", by Mr. J. W. Dafoe, which appears in the October number of the *University of Toronto Quarterly.*

The June number of the *Canadian Bar Review* is devoted to articles on the constitution and on the treaty-making power.

RECENT I. P. R. PUBLICATIONS

The Legal Status of Aliens in Pacific Countries: An international survey of law and practice concerning immigration, naturalization and deportation of aliens and their legal rights and disabilities. *Edited by* NORMAN MACKENZIE, Professor of Public and Private International Law, University of Toronto. 1937. London: Oxford University Press. xii+374 pp. ($6.25; to members of the Institute, $5.00 + postage).

The Problem of Peaceful Change in the Pacific Area: A study of the work of the Institute of Pacific Relations and its bearing on the problem of peaceful change. *By* HENRY F. ANGUS, Professor of Economics, University of British Columbia. 1937. London: Oxford University Press; Shanghai: Kelly and Walsh. vii+193 pp. ($1.75; to members of the Institute, $1.40+postage).

Problems of the Pacific 1936. The proceedings of the sixth conference of the Institute of Pacific Relations, on "Aims and results of social and economic policies in Pacific countries". *Edited by* W. L. HOLLAND *and* KATE MITCHELL, *assisted by* HARRIET MOORE *and* RICHARD PYKE. 1937. London: Oxford University Press. ix+470 pp. ($6.25; to members of the Institute, $5.00+postage).

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THE FAR EASTERN CRISIS

Mr. William Strange's book, *Canada: The Pacific and War*, has been published by Thos. Nelson's under the auspices of the C.I.I.A. (Price $1.75; to members of the Institute, $1.40).

An excellent bibliography of the background of the far eastern conflict is to be found in the October number of *Amerasia* (Amerasia, Inc., 125 East 52nd Street, New York, 25 cents a copy, $2.50 a year). The American Council of the I.P.R. is publishing useful articles in its fortnightly *Far Eastern Survey* (129 East 52nd Street, New York, 25 cents a copy, $2.50 a year). *Pacific Affairs*, the quarterly journal of the I.P.R., also contains articles that will help to an understanding of the issues involved.

THE ROWELL COMMISSION

Four of the five members of the Royal Commission on Dominion-Provincial Relations are members of the Institute. The Hon. Mr. Rowell and Mr. Dafoe are Honorary Presidents; Professor Angus is a member of the National Council; and Dr. MacKay is a member of the Research Committee. Since the Commission will be holding sittings in all parts of the country, the various branches will probably have the opportunity of hearing one or other of its members.

NATIONAL SECRETARY

The national secretary, Mr. Escott Reid, has been granted leave of absence until May, 1938, to enable him to take the place of Dr. R. A. MacKay of Dalhousie University, whose duties as a member of the Royal Commission on Dominion-Provincial Relations compel him to relinquish his academic post for a year. Mr. Reid's place is being taken by Mr. E. B. Rogers, of Charlottetown, who has been assisting Dr. MacKay with his forthcoming book on *Canada's Foreign Policy*.

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[redacted]

Governor General's Speech

(to C.I.I.A., Montreal, Oct. 12, 1937)
(See Memo. by Mr. Read)

Objection taken to sentence of speech:

> "A Canadian's first loyalty is not to the British Commonwealth of Nations but to Canada and to Canada's King, and those who deny this are doing, to my mind, a great disservice to the Commonwealth."

Sharp criticism by:

Hon. C. H. Cahan,
Mr. John Barrett (publisher, Montreal Gazette),
The Telegraph-Journal (of St. John).

Chief points of criticism:

1. that there can be no division of loyalty; the Crown is indivisible and while the King is King of Canadians, he is not the King of Canada;
2. that Britain is chiefly responsible for Defence and foreign policy, therefore Canada should seek to co-operate with Britain and other Dominions to develop foreign policies;
3. that Governor-General's statement expressed "either too little or too much in introducing the vexing issue of a conflict of loyalties ....."

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Position of Government re Governor General's speech:

Do not propose, at this time, to go into constitutional issues raised by Mr. Cahan and others;

If account of speech is read in its entirety, feel sure there will be general agreement that:

1. His Excellency was stating certain principles with which great majority of people of Canada would be in complete agreement;
2. His Excellency was in no way exceeding the constitutional limitation of his position -

No one would wish the Governor General, in his public and semi-public addresses to restrict himself merely to discussions of art, literature and the like;

He can make, and has already made, valuable contribution in discussion of various questions relating to the national life of Canada;

In his speech before C.I.I.A., His Excellency was giving expression to his personal views on a matter which the known attitude of the government and of prominent persons in public life of other than Liberal associations, would indicate to be neither a partisan nor a controversial issue;

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When it became apparent that the question was considered controversial in certain quarters, His Excellency thereafter refrained from any further public reference to the matter;

Feel confident that most Canadians will be in complete agreement with views expressed by Governor General, but equally confident that even those who are not, will agree that His Excellency acted entirely in good faith.

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PRESS CLIPPINGS [redacted] of The Prime Minister

Name of Publication Montreal Gazette

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Date Oct. 13/37

Subject

TEXT OF TWEEDSMUIR ADDRESS

Following is the text of the address delivered by Lord Tweedsmuir last night at the tenth anniversary meeting of the Canadian Institute of International Affairs.

I am very glad to be here tonight. This is the first occasion on which I have had the privilege of meeting the members of your Institute of International Affairs. A Governor-General, I need hardly remind you, has to walk warily. In the domestic affairs of the country where he represents the King, he can have no views on policy except those of his ministers. And even on international questions he is in a position of some delicacy, for today international problems have the unhappy knack of also becoming domestic problems and dividing people into party groups.

So, gentlemen, tonight you will not hear from me any views on international policy. I have my views, of course, but at present they are not for publication. But there is one thing on which I can speak frankly. The purpose of your organization is study. You are a forum for discussion, not an agency for propaganda. Your business is to acquire expert knowledge about the data on which policies must be framed. Now that is a purpose whose value is altogether beyond question. No policy is of any use unless it is adequate to the facts, and the first duty of the citizen is to inform himself of the facts.

In the old days in Britain foreign affairs were very largely a matter of platitudes and sentiment. We were moderately disturbed by matters like the Risorgimento in Italy and by Turkish misrule in the Near East. A great orator like Mr. Gladstone could arouse the emotions of his countrymen to a high pitch over such matters. Foreign questions, too, now and then seemed to threaten the safety of the Empire's frontiers, and to arouse patriotic anxieties. But these occasions were not very numerous. On the whole one may say that till 30 or 40 years ago foreign affairs had only an academic interest for the ordinary British citizen.

How different it is today! the world has been telescoped, distances have shrunk, and every nation is in some kind of uneasy bondage to the others. What is happening three thousand miles away may have a direct effect upon the safety and prosperity of the private citizen. Therefore every nation must have a foreign policy in the sense that it must consider its position vis-a-vis the world at large. No country can seclude itself and declare that it will go its own way without troubling its head over what other people are doing. Its political security, its economic prosperity, compels it to have some reasoned attitude towards the outer world.

CLOSE CONTROL ENDED.

This attitude must be mainly determined by the citizens themselves. The day has gone when foreign policy can be the preserve of a group of officials at the foreign office, or a small social class, or a narrow clique of statesmen from whom the rest of the nation obediently takes its cue. Today the problems affect us all too vitally in our private interests. The foreign policy of a democracy must be the cumulative views of individual citizens, and if these views are to be sound they must in turn be the consequence of a widely diffused knowledge.

From this duty no country is exempt. Certainly not Canada. She is a sovereign nation and cannot take her attitude to the world docilely from Britain, or from the United States, or from anybody else. A Canadian's first loyalty is not to the British Commonwealth of Nations, but to Canada, and those who deny this are doing, to my mind, a great dis-service to the Commonwealth. If the Commonwealth, in a crisis, is to speak with one voice it will only be because the component parts have thought out for themselves their own special problems, and made their contribution to the discussion, so that a true common factor of policy can be reached. A sovereign people must, as part of its sovereign duty, take up its own attitude to world problems. The only question is whether that attitude shall be a wise and well-informed one or a short-sighted and ill-informed one. Therefore we need knowledge—exact knowledge—and it is one of the objects of this institute to provide that.

But we need something more. We must understand not only the facts about foreign nations, but their point of view. In the past we have been far too fond of blind antagonisms. The popular mind has been pro one nation or anti another, "phil" one thing or "phobe" something else, very largely out of a vague sentiment or prejudice.

That attitude is impossible today. Things are too serious for more prejudice and sentiment. There is a crying need everywhere for the right kind of propaganda. Propaganda can be a horrible thing when it means the dissemination of falsehood and bitterness. But it can be a very fine thing when it is directed towards a truer understanding by the nations of each other. We in Britain have been always rather bad at the job and have depised it, and consequently a good many absurd fallacies about ourselves have grown up in foreign countries. Now the supreme truth we have learned in recent years has been the interconnection of nations, the community of interests of the world at large, the truth that no country is prosperous because of its neighbors' misfortunes, but only because of its neighbors' well-being.

But this truth by itself is valueless unless it leads to a fuller knowledge of those neighbors who matter so much to us. We want to understand their point of view. That does not mean necessarily that we should share it, for their point of view may be wrong; but if we have to fight it we shall fight it all the better for understanding it.

We must have more than knowledge; we must have sympathy. As someone has said, our problem is to make certain that the democracy in which we believe can live peaceably side by side with creeds which are not democratic. It is not for us to declare that we are the people, and that wisdom will die with us. Tolerance of other forms of government abroad should be part of every democrat's creed. There is a famous French proverb, "Tout comprendre c'est tout pardonner." That always seems to me slightly patronizing, and I prefer the form of Madame de Stael—"Tout comprendre nous rend tres indulgents." A great German philosopher once said truly that the essence of tragedy was not a clash between right and wrong, but a clash between two rights.

SEES SOME GOOD IN ALL.

I remember that my old friend, James Bryce, (Lord Bryce, former Ambassador to Washington) was never tired of insisting that there must be some element of truth, some kernel of honest idealism, in any creed which moves the heart of a large body of men, and that it was our duty to discover that kernel of truth, that element of value. This wise attitude seems to me especially important today. We see much in certain other countries which we dislike. But surely the right way is not blind condemnation, as if they had sold their souls to the devil. The Prime Minister said very truly the other day that he disliked the facile use of words like "Fascism" and "Communism" as terms of abuse, since the taunt of Fascism was used too often against a perfectly reasonable attempt to maintain law and order, and the taunt of Communism to decry some rational scheme of so-

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PRESS CLIPPINGS [redacted] of The Prime Minister

Name of Publication.....

Date.....

Subject.....

C150551

cial reform. It is our business, in studying the mind of foreign peoples, to look for the kernel of truth, the element of value which must be there. It may be preposterously over-stated, it may even be hopelessly perverted; but we shall be far better able to check its perversions and reduce folly to sanity if we recognize what is sound and true in it.

The purpose which your Institute sets before itself is not merely to provide a limited number of cultivated men and women with accurate knowledge. It will help, I trust, here and in Britain to create that spirit without which a true internationalism is impossible. The League of Nations has not succeeded as we had hoped, because it had not an adequate spiritual force behind it. There was a famous church father in the middle ages, Bernard of Morlaix, who wrote a Latin hymn, some lines of which never cease to haunt my mind.—"Who will achieve universal peace?" He asks, and his answer is: "The disciplined, the dedicated, the pure in heart and the gentle in spirit." Every lawyer knows that the wisest law will not succeed unless it is in tune with the spirit of a people. If it is too far ahead of that spirit it will be a dead letter. No international mechanism which the wit of man can frame will succeed unless there is behind it, in the world at large, the proper temper of mind. To create and maintain this temper is the first duty of every civilized man.

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Governors-General
"Tweedsmuir"

[redacted]

C150552

Governor General's Speech

(to C.I.I.A., Montreal, Oct. 12, 1937)
(See Memo. by Mr. Read)

Objection taken to sentence of speech:

"A Canadian's first loyalty is not to the British Commonwealth of Nations but to Canada and to Canada's King, and those who deny this are doing, to my mind, a great disservice to the Commonwealth."

Sharp criticism by:

Hon. C. H. Cahan,

Mr. John Barrett (publisher, Montreal Gazette),

The Telegraph-Journal (of St. John).

Chief points of criticism:

1. that there can be no division of loyalty; the Crown is indivisible and while the King is King of Canadians, he is not the King of Canada;
2. that Britain is chiefly responsible for Defence and foreign policy, therefore Canada should seek to co-operate with Britain and other Dominions to develop foreign policies;
3. that Governor-General's statement expressed "either too little or too much in introducing the vexing issue of a conflict of loyalties ....."

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C150553

Position of Government re Governor General's speech:

Do not propose, at this time, to go into constitutional issues raised by Mr. Cahan and others;

If account of speech is read in its entirety, feel sure there will be general agreement that:

1. His Excellency was stating certain principles with which great majority of people of Canada would be in complete agreement;
2. His Excellency was in no way exceeding the constitutional limitation of his position -

No one would wish the Governor General, in his public and semi-public addresses to restrict himself merely to discussions of art, literature and the like;

He can make, and has already made, valuable contribution in discussion of various questions relating to the national life of Canada;

In his speech before C.I.I.A., His Excellency was giving expression to his personal views on a matter which the known attitude of the government and of prominent persons in public life of other than Liberal associations, would indicate to be neither a partisan nor a controversial issue;

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C150554

[redacted]

When it became apparent that the question was considered controversial in certain quarters, His Excellency thereafter refrained from any further public reference to the matter;

Feel confident that most Canadians will be in complete agreement with views expressed by Governor General, but equally confident that even those who are not, will agree that His Excellency acted entirely in good faith.

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Governors-General
"Tweedsmuir"

PRESS CLIPPINGS [redacted] Office of The Prime Minister

Name of Publication Ottawa M. Citizen

Date Oct.14/37.

C150555

Subject

For Policy Truly Made in Canada

It is something new to have the governor general of Canada publicly urging that Canada's policy toward other nations should be determined in Canada. Lord Tweedsmuir reflected Canadian opinion, however, particularly the growing opinion of younger Canada, at the annual meeting of the Canadian Institute of International Affairs in Montreal last Tuesday night, when he said:

> The day has gone when foreign policy can be the preserve of a group of officials at the foreign office, or a small social class, or a narrow clique of statesmen from whom the rest of the nation obediently takes its cue. Today the problems affect us all too vitally in our private interests. The foreign policy of a democracy must be the cumulative views of individual citizens, and if these views are to be sound they must in turn be the consequence of a widely diffused knowledge.

His Excellency had previously spoken of new conditions that have come over the world in the last thirty or forty years, with nations drawn nearer by improving means of communication and, he added, "every nation is in some kind of uneasy bondage to the others." Whatever bondage may have been in Lord Tweedsmuir's mind at the moment, there is no doubt about the uneasiness of the bondage of debtor nations to the creditor groups. Probably the most dangerous goad behind nations in the field of world politics is the bondage of debt: the effort is constant to lighten the liability by capturing markets abroad or by building up favorable balances of trade, in short, by shifting the burden of debt to some other country.

* * *

When Canada's policy is truly made in Canada, one first step will be to stop living in fear of poverty and debt unless the nations abroad import more from Canada. A more widely diffused knowledge of the capacity of the Canadian people to provide for themselves from Canadian resources should bring a new note of confidence into Canadian policy. No longer will the Canadian people submit to conditions of widespread poverty because other nations have accepted the order of deflation, depression, unemployment and belt-tightening. National sovereignty will rise above any threat of private credit power in New York or London against the credit of Canada. The foreign policy of Canadian democracy can never, otherwise, be determined by "the cumulative views of individual citizens . . ."

* * *

Of course, His Excellency's speech contained no reference to the necessity of setting up national sovereignty over the national credit, such as Mr. Mackenzie King seemed to mean when he said in the House of Commons:

> Until the control of the issue of currency and credit is restored to the government and recognized as its most conspicuous and sacred responsibility, all talk of the sovereignty of parliament and democracy is idle and futile.

In the presence of the prime minister, however, at the meeting in Montreal, Lord Tweedsmuir did say, in speaking of the necessity of spreading sound knowledge:

> From this duty no country is exempt. Certainly not Canada. She is a sovereign nation and cannot take her attitude to the world docilely from Britain, or from the United States, or from anybody else. A Canadian's first loyalty is not to the British Commonwealth of Nations, but to Canada, and those who deny this are doing, to my mind, a great dis-service to the Commonwealth. If the Commonwealth, in a crisis, is to speak with one voice it will only be because the component parts have thought out for themselves their own special problems, and made their contribution to the discussion, so that a true common factor of policy can be reached. A sovereign people must, as part of its sovereign duty, take up its own attitude to world problems. . . .

There is surely no more urgent world problem than the necessity of finding a peaceful way out of economic conflict, to stop sowing the seeds of war in commercial rivalry.

* * *

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Nations are confronted with the menace of another depression as soon as they stop spending billions of dollars on armaments. Never before has it been so generally acknowledged that international disorder is an economic problem. The former prime minister of Australia, Stanley Bruce, in an address to the assembly of the League of Nations recently said:

> If they could improve living standards, bring about a higher standard of nutrition, lessen disease, increase health, and remove the haunting fear of unemployment, he believed that they would change the whole world atmosphere, allay much of the unrest and pave the way to a solution of the political problems that confronted them. . . . Their problem arose from their failure to organize and to employ to the greatest advantage the remarkable resources at their disposal.

Without waiting until the day when the nations at Geneva can agree on concerted economic action, or even until the nations of the British Commonwealth can speak with one voice, after thinking out for themselves "their own special problems," Canada's first loyalty is truly to Canada.

When Canadian policy is made in Canada, without being bamboozled by talk about the wickedness of something called economic nationalism, Canadian leadership at home will begin with national control of the national credit of Canada. As a sovereign nation, Canada will no longer "take her attitude to the world docilely from Britain or from the United States or from anybody else." Until this sacred responsibility is assumed by confident Canadian leadership at home, all talk of the sovereignty of parliament and democracy *is* idle and futile.

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Governors-General
Tweedsmuir"

C150557 239

OFFICE OF THE PRIME MINISTER

PUBLICATION Montreal Gazette DATE Oct. 30/37.

Cahan Rebuts Tweedsmuir Views; Says British Loyalty Indivisible

Disputing recent statements of Lord Tweedsmuir, Governor-General of Canada, to the effect that a Canadian's first loyalty is to Canada, Hon. C. H. Cahan, former Secretary of State declared yesterday that to be true to herself Canada must be faithful to the constitutional covenants upon which the British Commonwealth is established, and frankly recognize that in the conduct of foreign affairs, which concern all the Dominions, as in the sphere of defence, the major share of responsibility now rests with the Government of the United Kingdom.

"It seems to me invidious and serving no worthy end to distinguish our loyalties severally as first, second, third, in numerical precedence," said the former Canadian minister who addressed the Montreal branch of the Royal Empire Society at luncheon in the Windsor Hotel, on "The British Commonwealth of Nations." Canada in her relations with the United Kingdom and all other nations of the British Commonwealth may well adopt as the standard of her future conduct the advice of Polonius to Laertes: "This above all to thine own self be true, And it must follow as the night the day Thou canst not then be false to any man."

Mr. Cahan said his subject was chosen because at the 10th anniversary session in Montreal of the Canadian Institute of International Affairs, His Excellency, the Governor-General, was reported to have said that a Canadian's first loyalty was to Canada and to Canada's king and not to the British Commonwealth of Nations, and those who argued otherwise were, he thought, doing a real disservice to the Commonwealth. Actually, said the speaker, Lord Tweedsmuir put it stronger than that. He said, "doing a real disservice to Canada."

Many who heard the statement felt that it expressed either too little or too much in introducing the vexing issue of a conflict of loyalties, of which few, if any of them were now conscious. Certainly it required more definite elucidation before it could be cordially accepted by members of the Royal Empire Society.

Mr. Cahan said the Crown was not divisible. The Dominions of the Commonwealth did not owe allegiance to different kings, but to one sole sovereign head. The protagonists of the doctrine of "personal union" would place the King in a position incompatible with his essential dignity, authority and self-respect, the speaker asserted. As the King of Canada he would acquire rights and assume responsibilities and obligations as against himself as King of the United Kingdom of Great Britain and Ireland, or as King of any other of the Dominions, so that the historical unity of the Crown would forever disappear.

After quoting excerpts from the B.N.A. Act and of subsequent acts dealing with the Royal title and of oaths prescribed to be taken, Mr. Cahan said it was not a separate and distinct King of Canada to whom they had sworn allegiance, but to the "King of Great Britain, Ireland and the British Dominions beyond the seas," who, in respect to the domestic affairs of each Dominion, and in respect to external affairs which only concern each Dominion, acts on the advice of his Privy Council of that Dominion; but implicit in all the statutory provisions which he had cited was the constitutional unity of all members of the British Commonwealth.

Outlining the various steps taken at the Imperial Conferences of 1923, 1926 and 1930, Mr. Cahan quoted at length the report of the subcommittee presided over by Hon. Ernest Lapointe, at the 1926 Conference, which considered and reported on the procedure to be adopted in relation to the negotiation of treaties.

"It was agreed in 1923 that any of the governments of the Empire contemplating the negotiation of a treaty should give due consideration to its possible effect upon other governments and should take steps to inform governments likely to be interested of its intention," Mr. Cahan quoted. "This rule," the subcommittee further reported, "should be understood as applying to any negotiations which any government intends to conduct, so as to leave it to the other governments to say whether they are likely to be interested. When a government has received information of the intention of any government to conduct negotiations, it is incumbent upon it to indicate its attitude with reasonable promptitude. So long as the initiating government receives no adverse comments and so long as its policy involves no active obligations on the part of the other governments, it may proceed on the assumption that its policy is generally acceptable. It must, however, before taking any steps which might involve the other governments in any active obligations, obtain their definite assent."

Mr. Cahan said that the report also provided that "all treaties should be made in the name of heads of states, and, if the treaty is signed on behalf of any or all the Governments of the Empire, the treaty should be made in the name of the King as the symbol of the special relationships between different parts of the Empire."

SAYS DOMINION BOUND.

The Governor-General's statement that "as a sovereign nation Canada did not take her foreign policy from Britain or from the United States or from anybody else," was certainly subject to several qualifications Mr. Cahan said. Canada was bound by the constitutional covenants with the United Kingdom and with other British Dominions, into which they had voluntarily entered, to prior consultation and co-operation with the several governments of the Commonwealth, in all matters which affect their external interests, and to recognize, as declared by the Imperial Conference Report of 1926, which Canada accepted and affirmed, that in "matters arising in the conduct of foreign affairs generally . . . as in the sphere of defence, the major share of responsibility rests now and must for some time continue to rest with His Majesty's Government in Great Britain."

In effect, said the speaker, Canada may not declare war, nor proclaim her neutrality, nor make peace independently, in any war in which the United Kingdom is involved without thereby declaring her secession from the British Commonwealth of which Canada forms an integral part. Loyalties, he added, might take different forms, but they include fidelity to the covenants, as well as to the political associations which Canada, by definite action of Parliament had voluntarily undertaken, "in other words, fidelity to the highest standards of national duty." One's loyalty to the King implied also a loyal course of conduct in all their dealings with other Dominions under the Crown.

NAVY, ARMY TOO WEAK.

Proceeding, Mr. Cahan pointed out that under present conditions the Canadian Government must recognize that, even if it were desirable, the country's feebie naval and military forces did not permit of the Dominion evolving an independent foreign policy. Another source of their deficiency in moral and physical strength, to which their irresolute and vacillating conduct in international affairs was largely due, was the utter lack of understanding and cohesion between the peoples of the several provinces of the Dominion.

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"Only insofar as the Canadian people become fully informed and united in sentiment and opinion can the representatives of the people have and exercise authority in our national or in Commonwealth affairs; and it is only when and as insofar as the peoples of the British Commonwealth are united in the administration of common interests that this league of British Communities may become a potent factor for the preservation of peace throughout the world as I believe that Providence has designed that it should be."

Mr. Cahan suggested that instead of attempting to formulate an independent foreign policy, the Governments of the various Dominions should co-operate with the Government of Great Britain in developing a joint foreign policy for the Commonwealth, and that the people of Canada should be kept fully informed as to the merits of any policy which had been predetermined in any crisis that might arise.

To deal wisely with the splendid trust which Providence had committed to Canada's care, he thought that, instead of increasing their foreign legations that each Dominion should be invited to send a High Commissioner to represent it at Ottawa, and that Canada should appoint representatives at each capital of the several Dominions. "United we shall stand, strong and unassailable amid all conflicts that may disturb the world: disunited we shall inevitably fall and be overwhelmed in confusion and irremedial disaster."

Rev. R. G. Burgoyne presided. The speaker was introduced by Joseph Jenkins, K.C., and thanked on the proposition of Col. C. B. Price, D.S.O., D.C.M., V.D., A.D.C.

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Notes for debate on [redacted]

C150559

Governor General's Speech

(to C.I.I.A., Montreal, Oct. 12, 1937)
(See Memo. by Mr. Read)

Objection taken to sentence of speech:

"A Canadian's first loyalty is not to the British Commonwealth of Nations but to Canada and to Canada's King, and those who deny this are doing, to my mind, a great disservice to the Commonwealth."

Sharp criticism by:

Hon. C. H. Cahan,

Mr. John Barrett (publisher, Montreal Gazette),

The Telegraph-Journal (of St. John).

Chief points of criticism:

1. that there can be no division of loyalty; the Crown is indivisible and while the King is King of Canadians, he is not the King of Canada;
2. that Britain is chiefly responsible for Defence and foreign policy, therefore Canada should seek to co-operate with Britain and other Dominions to develop foreign policies;
3. that Governor-General's statement expressed "either too little or too much in introducing the vexing issue of a conflict of loyalties ....."

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C 1496

C150560

Position of Government re Governor General's speech:

Do not propose, at this time, to go into constitutional issues raised by Mr. Cahan and others;

If account of speech is read in its entirety, feel sure there will be general agreement that:

1. His Excellency was stating certain principles with which great majority of people of Canada would be in complete agreement;
2. His Excellency was in no way exceeding the constitutional limitation of his position -

No one would wish the Governor General, in his public and semi-public addresses to restrict himself merely to discussions of art, literature and the like;

He can make, and has already made, valuable contribution in discussion of various questions relating to the national life of Canada;

In his speech before C.I.I.A., His Excellency was giving expression to his personal views on a matter which the known attitude of the government and of prominent persons in public life of other than Liberal associations, would indicate to be neither a partisan nor a controversial issue;

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[redacted]

When it became apparent that the question was considered controversial in certain quarters, His Excellency thereafter refrained from any further public reference to the matter;

Feel confident that most Canadians will be in complete agreement with views expressed by Governor General, but equally confident that even those who are not, will agree that His Excellency acted entirely in good faith.

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OFFICE OF THE PRIME MINI[redacted]

MEMORANDUM

C150562

MR. KING:

Captain Scott
telephoned this morning
to say that His Excellency
Lord Tweedsmuir will arrive
at Union Station at 7.15
o'clock this evening.

HH.

make [illegible] slip
& put on clock

Oct. 7, 1938
10.50 a.m.

Done

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C150563

GOVERNMENT HOUSE,
OTTAWA.

[redacted]

With the compliments of the
Secretary to the Governor-General.

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C150564

[redacted]

PRIVATE

RAILWAY SCHEDULE

for the

WESTERN TOUR

of

Their Excellencies the Governor-General and the
Lady Tweedsmuir

March 12th to April 15th 1939

MAR 3 - 1939

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[redacted]

Lv.	Ottawa	Sunday,	March	12th	10.30 p.m.	C.N.R.
Arr.	Vancouver	Thursday,	"	16th	8.45 a.m.	"
Lv.	"	Tuesday,	"	21st	10.30 a.m.	Boat
Arr.	Victoria	"	"	21st	3.10 p.m.	"
Lv.	"	"	April	4th	1.55 p.m.	"
Arr.	Vancouver	"	"	4th	6.35 p.m.	"
Lv.	"	Friday,	"	7th	10.00 a.m.	C.P.R.
Arr.	Calgary	Saturday,	"	8th	12.10 p.m.	"
Lv.	"	Sunday,	"	9th	7.00 a.m.	"
Arr.	Winnipeg	Monday,	"	10th	8.15 a.m.	"
Lv.	"	"	"	10th	7.00 p.m.	"
Arr.	Sudbury	Tuesday,	"	11th	10.45 p.m.	"
Lv.	"	Wednesday,	"	12th	7.40 a.m.	"
Arr.	Sault Ste.Marie	"	"	12th	1.10 p.m.	"
Lv.	" "	Thursday,	"	13th	4.05 p.m.	"
Arr.	Sudbury	"	"	13th	9.55 p.m.	"
Lv.	"	"	"	13th	10.25 p.m.	"
Arr.	Toronto	Friday,	"	14th	7.00 a.m.	"
Lv.	"	"	"	14th	7.30 a.m.	C.N.R.
Arr.	Guelph	"	"	14th	9.06 a.m.	"
Lv.	"	"	"	14th	4.10 p.m.	"
Arr.	London	"	"	14th	6.50 p.m.	"
Lv.	"	Saturday,	"	15th	5.48 a.m.	"
Arr.	Toronto	"	"	15th	8.45 a.m.	"

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[redacted]

Lv.	Toronto	Saturday,	April	15th	9.15 a.m.	C. .R.
Arr.	Ottawa	"	"	15th	5.15 p.m.	"

Composition of Party:

His Excellency the Governor-General.

Her Excellency the Lady Tweedsmuir.

Mrs. George Pape (Lady-in-Waiting)

Colonel H.Willis-O'Connor, C.B.E., D.S.O., A.D.C.

Lieut. R.Scott, R.N., A.D.C.,

Captain D.H.Walker, A.D.C.

Mrs. L.A.Killick, (Personal Secretary to His Excellency)

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OFFICE OF THE PRIME [redacted]

Ottawa, July 22

C150567

To THE PRIME MINISTER

FOR ATTENTION

Schedule of Gov-Gen's Western Tour

A.D.H.

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C150568

Railway Schedule

for the

W E S T E R N T O U R

of

Their Excellencies the Governor General and

The Lady Tweedsmuir

August 2nd to 22nd

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1 9 3 9

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C150569

Westward Journey - Quebec to Jasper

					Railway Standard Time.	
Lv.	Quebec	Wednesday, August		2nd	1.30 p.m.	C.P.R.
Arr.	Montreal	"	"	2nd	5.30 p.m.	"
Lv.	"	"	"	2nd	8.00 p.m.	C.N.R.
Arr.	Winnipeg	Friday,	"	4th	8.40 a.m.	"
Lv.	"	"	"	4th	10.30 a.m.	"
Arr.	The Pas	Saturday,	"	5th	7.00 a.m.	"
Lv.	" "	"	"	5th	3.30 p.m.	H.B.R.
Arr.	Churchill	Sunday,	"	6th	4.30 p.m.	"
Lv.	"	Tuesday,	"	8th	7.30 a.m.	"
Arr.	The Pas	Wednesday,	"	9th	9.30 a.m.	"
Lv.	" "	"	"	9th	7.20 p.m.	"
Arr.	Hudson's Bay Jct.	"	"	9th	10.50 p.m.	"
Lv.	" "	Thursday,	"	10th	3.15 a.m.	C.N.R.
Arr.	Prince Albert	"	"	10th	9.35 a.m.	"
Lv.	" "	"	"	10th	5.30 p.m.	"
Arr.	Saskatoon,	"	"	10th	8.30 p.m.	"
Lv.	"	"	"	10th	9.55 p.m.	"
Arr.	Edmonton	Friday,	"	11th	6.35 a.m.	"
Lv.	"	"	"	11th	7.30 a.m.	"
Arr.	Jasper	"	"	11th	1.40 p.m.	"

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C150570

[redacted]

Eastward Journey - Jasper to Ottawa

Lv. Jasper	Sunday,	August	13th	3.00 p.m.	C.N.R.
Arr. Edmonton	"	"	13th	8.55 p.m.	"
Lv. "	Monday,	"	14th	4.40 p.m.	N.A.R.
Arr. McLennan	Tuesday,	"	15th	4.35 a.m.	"
Lv. "	"	"	15th	5.10 a.m.	"
Arr. Hines Creek	"	"	15th	11.05 a.m.	"
Lv. " "	"	"	15th	12.10 p.m.	"
Arr. Peace River	"	"	15th	3.22 p.m.	"
Lv. " "	Wednesday,	"	16th	9.00 a.m.	"
Arr. Rycroft	"	"	16th	3.35 p.m.	"
Lv. "	"	"	16th	3.45 p.m.	"
Arr. Spirit River	"	"	16th	4.00 p.m.	"
Lv. " "	Thursday,	"	17th	8.30 a.m.	"
Arr. Grande Prairie	"	"	17th	10.50 a.m.	"
Lv. " "	"	"	17th	11.50 a.m.	"
Arr. Beaverlodge	"	"	17th	1.00 p.m.	"
Arr. Dawson Creek	"	"	17th	5.00 p.m.	"
Lv. " "	Friday,	"	18th	9.30 p.m.	"
Arr. Edmonton	Saturday,	"	19th	7.00 p.m.	"
Lv. "	"	"	19th	9.25 p.m.	C.N.R.
Arr. Winnipeg	Sunday,	"	20th	5.45 p.m.	"
Lv. "	"	"	20th	6.30 p.m.	"
Arr. Ottawa	Tuesday,	"	22nd	6.10 a.m.	"

(Note: From Beaverlodge Their Excellencies will go to Dawson Creek by motor-car)

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C150571 [redacted]

Memorandum re term of office of the Governor-General

By Royal Commission dated August 10th, 1935, Lord Tweedsmuir was appointed Governor-General and Commander-in-Chief in the Dominion of Canada. His Excellency took the oath of office, at Quebec, on November 2, 1935.

The question arises whether the term of office of His Excellency should run from the date mentioned in the Royal Commission appointing him or from the date on which His Excellency took the oath of office.

The third paragraph of the said Commission reads as follows:

"And further We do hereby appoint that, so soon as you shall have taken the prescribed oaths and have entered upon the duties of your Office, this Our present Commission shall supersede Our Commission under Our Sign Manual and Signet bearing date the Twentieth day of March, 1931, appointing Our Right Trusty and Right Well-beloved Cousin and Counsellor, Vere Brabazon, Earl of Bessborough, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, formerly Captain in Our Territorial Army, to be Our Governor-General and Commander-in-Chief in and over Our Dominion of Canada."

From the terms of this paragraph it seems that the Royal Commission, although delivered on August 10th, 1935, would come into force only after His Excellency would have taken "the prescribed oaths" which would have the result that his Commission would supersede that of his predecessor.

It seems that there could not be two Commissions in force at the same time and that, although his Excellency was empowered to act as Governor-General and Commander-in-Chief by the Commission of August 10th, 1935, this commission would come into force only after the oath had been taken.

13/12/39 (per Mr Trudel)

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[redacted]

ODS/HMP.

C150572

July 3rd, 1939.

Canadians - Foreign Born 4-308 v.1
Ukraine
European Situation
R-100-4 1939

MEMORANDUM FOR THE PRIME MINISTER -

Attached is copy of a letter from W.A. Tucker, M.P., received July 3rd, regarding the Ukrainian delegation which will be here very shortly. I should be glad to know whether you will be free to see them.

I enclose also a note of an interview which I had with another Ukrainian representative, Mr. Wladimir Kossar, President of the Ukrainian National Federation of Canada, on June 12th. I am not quite clear from my records whether I sent a copy to you or to Mr. Lapointe as Acting Prime Minister. Along with this are attached certain supplementary documents, including a letter regarding Kossar, to the Canadian High Commissioner in London, dated 15th June, which attempted to summarize the situation generally.

Would you wish to meet the delegation when it arrives? There is no very definite indication of when that will be.

O.D. SKELTON

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COPY
HOUSE OF COMMONS
CANADA

(received July 3,1939)

[redacted]
Rosthern, Sask.

Private and
Confidential

O.D.Skelton, Esq.,
Under-Secretary of State for
External Affairs,
Ottawa.

C150573

Dear Mr.Skelton,

You will remember my discussing a Ukrainian Delegation and particularily Mr.W.Burianyk with you during the past Session. They have decided to come to Ottawa to make representations to you and will arrive shortly after this letter. Mr.Burianyk came to Rosthern day before yesterday and advised me of developments and we thoroughly discussed the matter.

I advised him to see you and arrange for an interview with the whole delegation which will present a carefully prepared memorandum. At the time he sees you he will explain the make-up of the delegation, i.e., the nature of the various organizations represented. I suggested he leave it to you whether it would be advisable to have Mr.King receive the delegation. Personally I think he should be prepared to hear representations from any large group of Canadians. Altho they profess themselves as satisfied to make their representations to you, no doubt they would feel better if Mr.King also heard them present their case.

The delegation realizes that if their presentation receives publicity it may inspire counter representations on the part of those with pro-Polish feelings and that this sort of thing is not desirable and would not be helpful. They will therefore not court publicity. This may be a feature of the case which will assist Mr.King in concluding that he can very properly (and helpfully too) see them - even if he turns them over to you to go into the matter with them after a short interview.

It occurred to me that the British High Commissioner would be very interested in hearing what these people have to say. No doubt Britain maintains a Secret Service in Central Europe. What they have picked up in correspondence with friends in various parts of Central Europe might be of assistance to the British Government. If you agree with me you might discuss the matter with Burianyk and facilitate a meeting between the High Commissioner and

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C150574

either Burianyk or the whole delegation. This meeting I think should be of a highly confidential nature.

They also would like to meet Hon.Senator Dandurand and Ian Mackenzie. I am not writing to Senator Dandurand as I do not know him but am dropping a letter of introduction to Hon. Ian Mackenzie.

I believe I told you I have a very high regard for Burianyk. He is a Returned Soldier, a person of high intelligence and completely devoted to Canada. I feel you can discuss matters very frankly with him and I am sure if you do so you will get an insight into the attitude of our Canadians of Ukrainian origin which will be interesting to you and perhaps helpful. Needless to say it is important that this delegation should be received with the thought in mind that in their representations they speak for perhaps at least 50,000 Canadians of Ukrainian origin. I know you will be good enough to discuss sympathetically with them the case they come to present and I believe they realize the difficulties of the situation and do not expect the impossible.

Trust you are getting a little rest and are feeling in better health.

Kindest regards,

Sincerely,

W.A.TUCKER

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V.1.
R-100-U
1939

C150575
Department of External
Affairs.

No.234

Ottawa, 15th June, 1939.

Confidential

Sir,

I have the honour to acknowledge your despatch No. 337 of May 16th, enclosing copies of correspondence between the Ukrainian Bureau in London and the Foreign Office, regarding a declaration on the Ukrainian question.

2. We have received many representations on the general subject of Ukrainian aspirations for autonomy or independence. There are three main Ukrainian groups in Canada. The extreme Right Nationalist group, sometimes called the Hetman movement, is affiliated with Skorapedsky and is organized in a number of Canadian cities as the Ukrainian Sitch. In the course of a tour which Skorapadsky made to the United States and Canada two years ago, reputedly with German backing, he received a considerable measure of support, but I am informed that his strength in Canada has now dwindled. There is on the Left a Ukrainian Communist movement of some strength which would support the demand for autonomy in Eastern Galicia but has no sympathy with a separatist programme for the Soviet Ukraine. A central group or committee has been organized comprising the Ukrainian National Federation of Canada and the Ukrainian Self-Reliance League, with support from both the Greek Catholic and the Orthodox Churches. It is this latter committee which issued the declaration referred to in your despatch.

The High Commissioner for Canada in Great Britain,
Canada House,
London, S.W.1.

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3. The endeavour made by Germany to weaken Poland and the Soviet Union by supporting the Ukrainian National movement has had some repercussions in Canada. There was a tendency on the part of a considerable section of the Ukrainians in Canada to look forward to the acceptance of German aid by their overseas kinsmen in establishing an independent Ukraine. The attitude of Germany towards the absorption of the Carpatho-Ukraine by Hungary this spring has produced a strong reaction, but it is conceivable that the former attitude might revive and it is therefore necessary to consider the whole situation with care. I may add that the Ukrainian representatives with whom I have been in contact have on all occasions emphasized their desire to put Canada and the British Commonwealth first, though they are equally strong in believing that an independent or autonomous Ukraine would be in the interests of the United Kingdom and indirectly of the other members of the British Commonwealth.

4. I received a visit this week from Mr. Wladimir Kossar, a member of the staff of the University of Saskatchewan and President of the Ukrainian National Federation of Canada. He presented a letter of introduction from Dr. James S. Thomson, President of the University of Saskatchewan. I also received a letter from the Premier of Saskatchewan, enclosing a letter from Mr. Kossar's compatriot and senior on the University of Saskatchewan staff, Mr. Pavlychenko. I enclose copies of these documents.

5. Mr. Kossar informed me that he had been born in Galicia, had fought in the Austrian Forces during the war, had later served in the Green Army of the Ukraine, fighting first against the Poles and later against the Russians, had worked for five years in the Carpatho-Ukraine for the Czechoslovak Government, and had come to Canada twelve years ago.

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He was naturalized in 1932. He is a graduate in Agriculture of Lemberg and of Prague, and in 1935 was appointed to the Department of Plant Ecology in the University of Saskatchewan.

6. I need not review Mr. Kossar's lengthy statement of his case, as it is adequately summarized in a letter dated June 8th, which he left with me and of which I enclose a copy.

7. Mr. Kossar informed me that he was proceeding to London, partly on private business, but that he wished to bring to the attention of the British Government, and possibly the French Government, what he considered the serious danger of ignoring the Ukrainian problem.

8. I told Mr. Kossar that I appreciated the strength of his convictions and had listened with interest to his exposition of the situation in the Ukraine. I would assume that like other Canadians, he would be primarily concerned in the interests of Canada, not in the interests of any part of the European Continent. I would have pleasure in bringing to the attention of the Prime Minister and the Canadian Government generally the representations he had made, to which I was sure they would give careful attention. As regards his desire to present his case to the British or French Governments, he was of course aware that the alliances with Poland and Russia which those Governments had made or were making, were confined to the international sphere and contained no condition or stipulation as to a break-up of territory of either of these potential allies, or any provision for minority autonomy. His views would, as I had indicated, be brought to the attention of the Canadian Government. We could not undertake to present them to the British Government or to give a formal endorsement of his views by asking the British Government to receive him.

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He had, I understood, already decided on his own responsibility and the responsibility of those working with him, to go to London.

9. I arranged for him to see Mr. Robertson also, as he has been dealing with related alien questions.

10. The Canadian Government could not of course give any endorsement to these proposals nor, particularly in view of the fact that it has thus far made no representations of its own to the Government of the United Kingdom regarding the new policy which that Government has adopted in Eastern Europe, would it be appropriate that it should put forward the representations of a group which, so far at least as many of its members are concerned, is more European than Canadian in its interests. At the same time there is no objection to Mr. Kossar presenting his views to any member of the British Government or any Foreign Office or Dominions Office official who would be prepared to receive him. Ukrainian national aspirations are undoubtedly an important factor and may become a more important factor in the Eastern situation, which has become of special interest to the United Kingdom since the Vistula became one of its boundaries.

I have the honour to be,

Sir,

Your obedient servant,

O.D.SKELTON

for the Secretary of State for

External Affairs.

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COPY

C150579

[redacted]

UNIVERSITY OF SASKATCHEWAN

THE PRESIDENT'S OFFICE. Saskatoon, Saskatchewan.

Dear Mr. Skelton:

I wish to introduce Mr. Wladimir Kossar, who is a Research Assistant in the Department of Plant Ecology in this University. Mr. Kossar assists Mr. Pavlychenko, whose researches in Plant Ecology have attracted such wide notice through his work done at the University and elsewhere. Mr. Pavlychenko is now on our staff, being salaried by the National Research Council and Mr. Kossar is his chief assistant.

Mr. Kossar, like Mr. Pavlychenko, is a Ukrainian by birth and is deeply interested in the Ukrainian question. He has a position of considerable influence among his compatriots now resident in this country and he is President of the Ukrainian National Federation of Canada. It is his purpose to travel to Europe for the purpose of meeting with relatives from whom he has long been separated. He has expressed a desire to get into touch with interested British authorities, especially in Government circles, because he believes they ought to know something of the attitude which is being adopted by former Ukrainians who are now domiciled in Canada.

I find it a little difficult to know what to advise in this matter. We have found Mr. Kossar to be a highly intelligent and trustworthy man. I should be glad if you could take opportunity to have a short interview with him and give him any advice which you may think fit, in view of his wish to secure interviews with the leading people, either in the Dominions or the Foreign Office in London.

With kindest personal regards, I am,

Yours sincerely,

JAMES S. THOMSON

Mr. O. Skelton,
Under Secretary for External Affairs,
Ottawa, Canada.

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C150580

PREMIER'S OFFICE

Regina, June 8th, 1939.

Dr. O.D. Skelton,
Under-Secretary of State
for External Affairs,
Dominion of Canada,
Ottawa, Ont.

Dear Dr. Skelton:

I enclose herewith a copy of a letter which I have just received from Professor T.K. Pavlychenko of the University of Saskatchewan, Saskatoon, which is self-explanatory.

I do not know Mr. Kossar personally but the fact that the Ukrainian people have selected him to represent them would indicate that he is a man of some standing. If you could arrange to see Mr. Kossar when he is in Ottawa and give him any assistance possible, it would be greatly appreciated.

I may say that I have discussed with the Right Honourable Mr. King, the question of his doing something to indicate a sympathy with the objectives of the Ukrainian people, while he was in Regina during the Royal Visit, but of course I appreciate the difficulties in dealing with the situation.

Yours sincerely,

(Signed) W.J. Patterson.

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C150581

Hon. W.J. Patterson,
Premier of Saskatchewan,
Parliament Bldg.,
Regina, Sask.

Saskatoon, Sask.,
Laboratory of Plant Ecology,
University of Saskatchewan.

June 6th, 1939.

Dear Sir,

I hope you will excuse me in taking this liberty in writing to you on the matter which unexpectedly became urgent. You will undoubtedly remember the contents of Declaration of Ukrainian Canadians and Friends regarding Ukraine sent to you sometime ago for your kind consideration. The Representative Committee was very much pleased with sympathetic reaction towards that document. Upon completion the document was sent to various officials in London. Apparently it has met with considerable interest there.

Recently we received a request from Ukrainian responsible representative in Europe that it is highly desirable both from Ukrainian viewpoint and otherwise that the delegate of Ukrainian Canadians in the Dominion be sent to London. The intention probably is to put the delegate in touch with officials sympathetic and interested in the matter and make it possible for them to obtain a direct information regarding the reaction of British subject of Ukrainian descent in Canada towards the existing conditions in Ukrainian territories under different occupations and particularly their viewpoint regarding the possible solution of the Ukrainian problem in Europe.

Complying with the above request Ukrainian organizations in Canada have asked Mr. Wladimir Kossar to undertake this mission on behalf of Ukrainian Canadians. I feel however that it would be highly desirable that Mr. W. Kossar should meet officials of the Canadian Government in Ottawa and discuss the whole matter with them as fully as they may desire before leaving Canada. It should be understood that it is the viewpoint of Ukrainian Canadians that there is no conflict whatsoever between the reestablishment of independent Ukrainian State and interests of the British Empire. On the contrary it is their deep conviction that such action would be of mutual benefit to both nations. The purpose of Mr. Kossar's going to Ottawa therefore would be to present this viewpoint to the Government representatives in Canada. I am certain that he will get not only a sympathetic response in this case but probably their assistance in approaching certain Government authorities in London. Since Mr. Kossar is not personally acquainted neither with Mr. Skelton nor the Premier McKenzie King I think that the letter of introduction from yourself to Ottawa would be of great assistance to him in making personal contacts with the people concerned. Mr. Kossar is the president of the Ukrainian National Federation of Canada and past president of the Ukrainian War Veterans' Association in the Dominion.

Since the call is urgent Mr. Kossar is not in a position to stop in Regina. Therefore it will be greatly appreciated if you send your letter of introduction by airmail to Mr. Skelton directly at your earliest possible convenience.

Hoping that I am not imposing on you too much and thanking you in advance for your kindness,

I remain,
Respectfully yours

(SGD.) T.K. PAVLYCHENKO.

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COPY

C150582

[redacted]

Saskatoon, Sask.,
June 8, 1939.

Dr. O.D. Skelton,
Under Secretary for External Affairs,
Parliament Buildings,
Ottawa, Ont.

Dear Sir:

In recent months, and particularly during the visit of Their Majesties in Canada, I was requested by many persons, both of Ukrainian and Anglo-Saxon origin as well as some Ukrainian organizations throughout Canada, to bring to the attention of the Government of Great Britain and the Governments of the British Commonwealth, the importance of the Ukrainian problem as it is seen by the Ukrainian Canadians.

Since the British Government has made certain definite commitments in Eastern Europe, I take it as my duty as a British citizen to point out some factors in connection with the situation in Eastern Europe and, in particular, in connection with the Ukrainian problem, as the full understanding and solution of that problem may go a long way towards bringing about a political stabilization in that part of Europe.

As president of the Ukrainian National Federation of Canada and the past president of the Ukrainian War Veterans' Association and at the same time as a British subject, I take the liberty of explaining the Ukrainian Canadians' viewpoint with respect to the situation in Eastern Europe.

I feel that it should be mentioned at the outset that in Europe there are only six groups of people which finally determine a political stability on that continent. These are: Great Britain (45 millions), Germany (75 millions), France (42 millions), Italy (44 millions), Russia (70 millions) and Ukraine (45 millions). Poland with its 34 millions of populations, and Roumania with its 19 millions, as a result of their heterogeneous population, more than one-third of which being national minorities, cannot be considered as positive factors contributing to this political stability. Poland, in particular, during the postwar years contributed a great deal to political instability in Europe by her fluctuating policy, once aligning herself with France, then with Germany, and then again with France, and lately with Great Britain and France. Both Poland and Roumania possess a great deal of the characteristics of the late Czechoslovakia, which showed a lack of resistance to the onslaught of Germany owing to its heterogeneous population and the rivalries between the Czechs, the Slovaks, and the Ukrainians. Yugo-Slavia is another example of a formidable danger spot in Europe, being a country composed of closely allied, but at the same time hostile races.

A few facts from the history of Ukraine will serve to show that Ukraine, due to its size, strategic position and material wealth, was always a stabilizing factor in European peace during the periods when it existed as an independent nation. On the other hand, it may be clearly shown that it became a major disturbing factor as soon as its territory was

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subdivided between the neighbouring states. From 862 to the middle of the thirteenth century Western Europe was effectually protected by the great Ukrainian state of Kiev from the inroads of the powerful nomadic races of Asia. It was the Ukrainian Republic again which in 1917 to 1920 had stopped the Red Russian army with its dangerous propaganda from reaching Western Europe at the time when the postwar psychology of the people in that part of Europe was most susceptible to the radical gospel of Moscow.

As a result of the aggressive policies of Germany and Italy, the Western democracies are deeply concerned about their own position and prestige in Europe. Hence, an attempt on their part at a common anti-aggression front including Poland and Russia.

Poland, which internally is fundamentally unsafe on account of bitter opposition of 7.5 million oppressed Ukrainians and which externally is directly exposed to an immediate danger, had finally decided to entrust her fate to the democracies in the belief that she is gaining a good deal and losing next to nothing. As a result of their alliance with Poland, Great Britain and France may find themselves under an obligation to participate in another world war, a war not of their own choice. And what will happen to Poland in case of such a war? Those who know conditions in that country are certain that a war will bring in its wake an internal revolution in Poland which in turn may eventually bring about a complete collapse of Poland as a state. Unjustly oppressed and unwisely abused and dishonoured the Ukrainian people will not resist the temptation of retrieving their liberty which they have lost as a result of the Polish invasion of Ukraine in 1919.

The U.S.S.R. apparently is safer than Poland, owing to its geographical position and its territorial vastness. In reality, however, Russia is a conglomerate of peoples kept together by a regime based on hatred, distrust, suspicion and tyranny and in consequence is a picture of political impotency, weakness and prostration in spite of its huge army and powerful military equipment. The government has an army and arms but has no certainty against whom the arms will be directed after the same will have been released from the armouries into the hands of the soldiers. At the same time, the 36 millions of Ukrainians in Russia, who live in the territory where the next armed conflict undoubtedly will take place again, are already doing everything in their power to seize the opportunity again as they did it in 1917 for the purpose of seceding from Moscow. The only difference between the present situation and 1917 is that in 1917 the Ukrainian leaders and the common people blamed the czarist regime almost exclusively as the cause of all the evils that had befallen Ukraine. The progressive leaders of Russia in the eyes of the Ukrainians then were free of such blame and the belief of the Ukrainians in their good will and liberalism was strong. Today the Ukrainian leaders as well as the common people fully realize that the present Communist government in Moscow, its democratic declarations notwithstanding, is at least as oppressive as the former czarist government, if not more so, each government treating Ukraine as a colony to be exploited only by the central government in the interests of Russia and to the detriment of Ukraine. The Ukrainians, therefore, are determined and well

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organized to fight for their independence at any price. This is well known to Moscow. The Russian Government, as well as that of Poland, exists in a chronic conflict with its own people. The Communist rulers of U.S.S.R. realize that only by preserving the present status quo they may prolong their tenure in office. Should the war come, despite all this, Soviet Russia will be torn to parts by the internal forces, and this will happen as soon as the population will get arms in their hands. The Ukrainian people will play a leading part in this process, exactly as they did 20 years ago, as they will not wait till Moscow arranges for another artificial famine in Ukraine.

The Soviet Russia is in no sense stronger than the Czarist Russia. Both are characterized by a complete lack of democracy and political freedom. The Czarist Russia was an ally of Great Britain and France during the last war but that war was lost to the allies on the Russian frontier and the Czarist Russia collapsed as a result of participating in the war. A similar collapse may be foreseen for the Soviet Russia in any general war in which it may be engaged. An alliance with Russia, with its present internal situation unchanged, may prove a source of weakness instead of a source of strength. In any event, the British government after having made commitments in Eastern Europe should be fully acquainted with all the facts in that part of the world and I may humbly add that the failure to see the importance of the Ukrainian problem, which is closely connected with the political situation in Poland, Russia, Roumania and Hungary, may have disastrous effects in time of an armed conflict affecting those states.

I may summarize my points as follows:

1. Russia and Poland, as well as Roumania and Hungary, as presently constituted, each with its huge national minorities of which the predominant is the Ukrainian minority, are negative rather than positive forces in the present international situation, they will become positive forces only after a just solution of the problem of the Ukrainian minority is arrived at.

2. No positive solution of this problem is imaginable without a right of the Ukrainians to the greatest measure of self-determination logically leading to the establishment of an Ukrainian independent state.

3. The establishment of the Ukrainian republic in 1918 was a step in the right direction. Had this republic been preserved with the assistance of Great Britain and France, there would have been no necessity for a Munich in 1938 and there would be no cause for the present anxiety of the democratic states to get the Soviet Russia on their side.

4. The failure to solve the Ukrainian problem will aggravate the present unsatisfactory situation in Eastern Europe by leaving one of the danger spots in Europe.

5. The Ukrainian Canadians are naturally very sympathetic to the fargoing and positive solution of the Ukrainian problem in Europe but they consider it their duty not only to their racial sympathies but also to their British loyalties to bring the problem to the attention of the British Government once

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this Government has made commitments in Eastern Europe. They are of the opinion that the solution of the Ukrainian problem will be in the interests of the British Empire, the greatest stabilizing force in the present world.

I remain, Sir,

Yours very respectfully,

(Signed) Wladimir Kossar

President, Ukrainian National
Federation of Canada.

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[redacted] U-300 V.1

12th June, 1939.

C150586

R-100-U 1939

Mr. Wladimir Kossar, President of the Ukrainian National Federation of Canada, called this morning. He had not made any appointment, but a letter from Mr. Patterson, the Premier of Saskatchewan, had been received, and he presented letters of introduction from Dr. James S. Thompson and R.K. Finlayson.

Mr. Kossar gave a lengthy presentation of his views, which I need not give in detail as it is summarized in the letter which he left with me at the end of our conversation. He stated that he had been born in Galicia, had fought in the Austrian forces during the war, had served in the Green Army of the Ukraines, in command for a time of a brigade fighting first against the Poles and later against the Russians, had worked for five years in what is now the Carpatho-Ukraine for the Czecho-Slovak Government, and had come to Canada twelve years ago. He was a graduate in Agriculture of Lemberg and of Prague, had worked on a farm near Saskatoon and in 1935 had been appointed to the Department of Plant Ecology in the University. He was naturalized in 1932.

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C150587

Mr. Kossar (1st) reviewed the Ukrainian national movement, emphasizing the hardships suffered by the Ukraines both in Poland in in Russia, and their determination to reunite as an independent nation; (2nd) insisted that both Poland and Russia were lacking in stability or effective power of resistance and that if under present conditions war broke out, Poland would be overrun by Germany within six weeks and Russia would collapse within six months, with the whole Ukrainian people in Poland and in Russia rising to assert their independence; and (3rd) stated that the only way to avert this was for the British Government to insist upon Poland and Russia granting a measure of autonomy now to the Ukrainian people. He declared he and his fellow Ukrainians were devoted to Canada and to British institutions, and regardless of what the outcome might be, would give what support they could in any event. He asked that I should give him some assistance in presenting his case to the British Government in London. He was to see Dr. Thompson there on July 2nd, and he alsoknew Dr. Allen, formerly of the University of Saskatchewan.

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I told Mr. Kossar that I had listened with much interest to his exposition and appreciated the strength of his feeling on the matter. Speaking personally, I could appreciate the strength of his convictions, but as a Canadian I was primarily concerned with the interests of Canada, not of any part of the European Continent. I would have pleasure in bringing to the attention of the Prime Minister and the Canadian Government generally the representations he had made, to which I was sure they would give careful attention. As regards his desire to present his case to the British Government, I could only say that the British and French Governments had, as he was aware, made or were making definite alliances with Poland and Russia dealing solely with international relations. Neither London nor Paris had made any condition or stipulation as to treatment of minorities. As I had informed him, I would bring his views to the attention of the Canadian Government. I could not undertake to present them to the British Government or give a formal endorsement of his views by asking the British Government to receive him. He had, I understood, already decided on his own responsibility and the responsibility of those working with him, to go to London.

I suggested that he see Mr. Robertson and present his case to him.

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The Ukraine
Canadians-
Foreign born

JA[redacted]

CONFIDENTIAL

C150589

For the Prime Minister:

(2)

Representations from Ukrainian-Canadian groups on Ukrainian problem in Europe; letter from Honourable Mr. Gardiner attached.

1. Mr. Gardiner has forwarded letters from Dr. G. E. Dragan of Saskatoon, and from the Representative Committee of Ukrainian Canadians. Identical communications from the same sources, addressed to the Prime Minister, have since been received.

2. During the past year representations on the same general subject have been received from some fifteen Ukrainian-Canadian groups in Fort William, Hamilton, Niagara Falls, Oshawa, St. Catherines, Saskatoon, Sudbury, Toronto, Windsor and Winnipeg.

3. The present communications are part of an apparent recrudescence of agitation throughout the Ukrainian community in Canada. They allude to the "historic necessity" of creating an autonomous state of all ethnographically Ukrainian territories (as envisaged by the Peace Conference at Paris, January 22, 1919), and claim this to be " in the interest of the balance of power and of a lasting peace in Europe." They also urge the Great Powers to appoint without delay " an international commission for the final settlement of the Ukrainian problem in Europe."

4. It is understood that the question has been receiving attention in the Department of External Affairs, and that the Commissioner of the Royal Canadian Mounted Police has been requested to furnish a report on the organization and relative strengths of the several political associations among which the Ukrainian population in Canada is divided.

5. Will the Prime Minister wish to discuss the situation with Mr. Gardiner, or direct whatever further acknowledgment should be sent?

For Dr Skillons information
& consideration of file
29-4-39

A. D. P. H.

A. D. P. H.

FILE: A.D.P. HEENEY

(J.G. GARDINER TO WLMK, JAN. 27, 1939 filed separately J.C.)

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A.D.P. HEENEY TO WLMK

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CONFIDENTIAL

For the Prime Minister:

Representations from Ukrainian-Canadian groups on Ukrainian problem in Europe; letter from Honourable Mr. Gardiner attached.

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A. D. P. H.

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G.

O t t a w a,
January 30th, 1939.

Prof. T. K. Pavlychenko,
President,
Representative Committee of Ukrainian Canadians,
P.O. Box 69,
Saskatoon, Sask.

Dear Professor Pavlychenko:

I have yours of January 25th, and note your representations to the effect that you think the setting up of a United Ukrainian State in the area occupied by forty million Ukrainians in eastern Europe would be in the interests of Peace.

You represent further that there are over four hundred thousand Ukrainians living in Canada, and that they would like to see the problems of their Homeland settled to the satisfaction of the Ukrainian people. Your sympathies in this direction are fully understood by those of us who have had the privilege of living in close association with you in Western Canada.

I note you realize the difficulties which exist at present, and shall be pleased to pass on your representations to the Prime Minister.

Yours sincerely,

James G. Gardiner.

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611 Canada Bldg.,
Saskatoon, Sask.
January 23, 1939.

Honourable Mr. James G. Gardiner,
Minister of Agriculture,
Ottawa, Ontario.

Dear Mr. Gardiner:

It is not necessary for me to introduce myself to you, nor is it necessary for me to acquaint you with the fact that there are large number of people of Ukrainian descent in Canada who are contributing their share in the building of a Canadian Nationhood. Their culture and their zeal is very well known, and their loyalty to common Institutions has never been questioned. It is not necessary for me to say that they are proud of Canadian citizenship, cherish opportunities and enjoy freedom. However, it may be necessary for me to say that deep in the heard of the Ukrainian people their exists at the moment a great profound sympathy toward their fellow men in Eastern Europe. The ill-treatment and the unbearable circumstances under which the friends of some, and relatives of others now live, have created a feeling of considerable uneasiness. Having such large numbers of unhappy people within the boundaries of Canada it naturally creates a situation that should interest every leading man and woman in our Dominion. Knowing you as I do I am taking the liberty of writing to you in this respect and point out few facts which may be of interest to you.

It is very well known to most people that a Ukrainian State embracing all the Ukrainian Ethnographical territories in Europe was established in 1918 without any help from foreign powers and that it maintained its political independence until the end of 1920. The territory was more than one million square kilometers in extent, and comprised a population of approximately fifty million people. When this newly created political unit finally collapsed and

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divided among four neighboring powers --Russia, Poland, Roumania and Czechoslovakia, very little was heard of a firm determination with which the Ukrainian people continued in their struggle for political liberty.

The post-war world had too many pressing problems in Western and Central Europe and therefore easily underestimated the significance of the unsettled problems in Eastern Europe.

The conference in Munich has proven that the policy of ignoring the dangers created by the Treaty of Versailles and other post-war pacts was no longer possible, and that the only way of averting another world's war was to again apply the principles of self determination for the oppressed people of Europe which were so evidently violated by the post-war Treaties.

Under the new Agreement that part of Ukrainian territory which was apportioned to the former Czechoslovak Republic, immediately secured its liberty under the name of Carpatho-Ukraine. This fact at once revived and consolidated activities of Ukrainian people for their liberation from Russian, Polish, and Roumanian occupation. Therefore, once again, the Ukrainian problem becomes a vital factor determining the very existence of peace in Europe.

Strangely enough, this situation seems to be best realized and taken advantage of almost exclusively by Germany. The other countries continue to preach democracy, but at the same time, either oppose or remain neutral to the most democratic principle namely that of self determination. This, automatically places Germany in a position of being a champion of this principle. I cannot help but feel that this policy of isolation and disinterestedness to the Ukrainian problem will bear grave consequences for them in future.

I agree with the viewpoint of Prof. Seton Watson of London and Prof. George Simpson of the University of Saskatchewan, both of whom are English authorities on Ukrainian question, that the British Empire will be more and more endangered as the Ukrainian problem will be settled without her participation, also, that she should take a more definite at least morally favorable stand in the final settlement of Ukrainian problem,

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making it into an Independent Sovereign State. I am certain that such a stand will not only be appreciated by the Ukrainians throughout the world but it will create a basis for a better understanding between them and the British Empire when the latter might find it necessary to take decisive measures, to check the German expansion in Europe. This perspective, I may say seems to be overlooked by many although both distinguished professors to whom I have referred stress this point with equal charity.

I can see no conflict between the establishment of an Independent Ukraine and the interests of the British Empire. One can readily see the great mutual advantages to both. It seems to me that a favorable stand of responsible people within the British Empire at this time will be a very hopeful investment for her own good and the maintenance of permanent peace in Europe.

In line with the thoughts as expressed above, a declaration is being prepared by a representative committee of Ukrainian Canadians and their friends regarding the creation of an Independent Ukrainian State. I was informed that this Declaration is being sent to you for endorsation or at least favorable reaction in any form you may choose to express your opinion. I trust that you will find time to give it your very earnest and sincere attention.

Yours very truly,

Dr. G. E. Dragan

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O T T A W A,
January 27th, 1939.

Dr. G. E. Dragan,
611 Canada Building,
SASKATOON, Sask.

Dear Dr. Dragan:

I appreciate hearing from you. I was sorry that you were not successful in winning your constituency in the last Provincial election. In that, however, you share the same experience as others who ran in the north-eastern section of the province. The difficulties arising out of crop failures, which was a new experience in that section of the province, had much to do with the general attitude of the people.

I am interested in reading your comments on present developments in Europe. I have naturally been following what is taking place there, and have had some concern as to what would eventually happen to the area populated by the Ukrainian people. This interest is, of course, stirred by the fact that we have so many of the Ukrainian race living in the Western provinces, and have found them good settlers, and anxious to become citizens of a great democracy. You, yourself, have done much to lead your people to appreciate the institutions of Government of this country.

I hesitate to express a personal opinion regarding the matters to which you have referred. As a matter of fact it would be impossible for me as a Member of the Government to express a personal opinion on a question of this kind. I am therefore, taking the liberty of forwarding your letter to Rt. Hon. W. L. Mackenzie King. I am sure this is the best means to take to bring before him a question which will be receiving the thought of all Canadians of Ukrainian extraction now living in Canada.

After I have had an opportunity of discussing the matter with Mr. King I shall communicate further with you.

Yours sincerely,

James G. Gardiner.

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REPRESENTATIVE COMMITTEE OF UKRAINIAN CANADIANS

P.O. Box 69

C150596

Saskatoon, Saskatchewan, Canada.

January 25th, 1939.

Honourable James Garfield Gardiner,
Minister of Agriculture,
Ottawa, Ont.

Dear Sir:

The Declaration, two copies of which we are enclosing, outlines the purpose for which our Committee has been formed. This Committee represents all groups of Canadians of Ukrainian descent who have come from the four parts of the Ukrainian ethnographical territory. In view of the cultural, religious, political and economic oppression, which the Ukrainian people are experiencing under the occupant powers in Europe, they cannot speak freely of their Cause. For this reason our Committee deemed it desirable to give an impartial Ukrainian view-point concerning the Ukrainian problem in Europe at the present time in a form of a Declaration of Ukrainian Canadians and Friends regarding Ukraine. By this action the Committee hopes (1) to stop false representations of the Ukrainian cause to the international opinion as sponsored by some foreign influences and (2), to provide true information to the British authorities and thus enable the British Empire to take part in a settlement of the Ukrainian question on behalf of her citizens in Canada.

At present many powers recognize the great importance which the Ukrainian problem assumes in Europe, while others continue to theorize and, at least officially take no notice of it. Professor Seton Watson, in his recent article concerning the situation in Eastern Europe, printed in "Reynolds Review", is fully aware of the fact that the British Empire is at least momentarily cut off from activities directed towards the settlement of Eastern Europe. In his opinion, however, this situation will become more and more dangerous to the British Empire as the affairs of Eastern Europe will be settled without her participation. In his opinion, the British Empire has both legal and moral grounds to enter as a factor in settling the great problem of Eastern Europe, as she has over four hundred thousand of her

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citizens of Ukrainian descent in Canada who are keenly interested in the proper and just solution of Ukrainian problem under Rumania, Poland and Russia.

The Committee hopes that its contention, as presented in this letter and Declaration, will meet with your favourable approval and endorsation.

We wish to advise you that so far, among others, the Declaration has been signed by the following organizations and persons:

Most Reverend Ladyka,
Bishop of Ukrainian Greek-Catholic Church of Canada.

Most Reverend Theodorovich,
Archibishop of Ukrainian Greek-Orthodox Church of the United States and Canada.

Mr. W. Kossar,
President of The Ukrainian National Federation.

Mr. P. Lazarowich,
President of the Ukrainian Self-Reliance League of Canada.

Mr. M. Stus,
Chief Commissioner of the United Hetman Organization of Canada.

Dr. James S. Thomson,
President of the University of Saskatchewan.

Professor G. W. Simpson,
Professor of History at the University of Saskatchewan.

Mr. M. Luchkovich, Formerly Member of the Dominion Parliament at Vegreville.

Ukrainian members in the Provincial Legislatures of Alberta and Saskatchewan, and others.

This Declaration has been sent also to a number of other prominent English speaking Canadians with a

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request to have their endorsation.

The Committee begs you to forward the signed copy to its address at your earliest convenience.

We remain

Yours faithfully

President "T. K. Pavlychenko"

Secretary "A. Gregorovich"

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DECLARATION

OF UKRAINIAN CANADIANS AND FRIENDS REGARDING UKRAINE

The grave danger to World Peace during the European crisis which resulted from internal minority problems in Czecho-Slovakia, has shown clearly to the Powers of Europe, as well as to the rest of the World, that minority problems within the artificial boundaries of post-war European states composed of several nationalities are dangerous sources of strife and are productive of great international conflicts. At this moment, we, the British citizens of Ukrainian origin, enjoying the privileges of Free Government, feel that it is our supreme duty to raise our voice in the interests of World Peace, the British Empire, and a just and permanent solution of the Ukrainian problem. That problem involves the largest subjugated nationality in Europe of today. We are supported also by Canadian citizens who, though not of Ukrainian nationality, are friends of Ukrainian liberation.

The Ukrainian problem concerns the vital interests of over forty millions of Ukrainian people, a number equal to the population of France or Italy, who inhabit a solid area of more than one million square kilometers between the Carpathian and the Caucasus Mountains in a great arc north of the Black Sea.

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This entire territory and its people with state traditions dating from 862 A. D. were again united into one Sovereign Ukrainian State by the Act of January 22nd, 1919, on the basis of the Wilsonian principle of self-determination.

Blockaded and attacked from the North by Soviet Red armies, from the East by the Monarchist Russian armies of Generals Denikin and Wrangel, from the West by Poland, and from the South by the armies of Rumania, this newly created power in Eastern Europe for three years without support from the Great Allied Powers heroically endeavoured to defend its borders from these enemies and at the same time to check the waves of Russian communism threatening Western Europe. However, under the weight of simultaneous and successive blows of overwhelmingly greater armies, and burdened with the outbreak of a deadly typhoid epidemic, Ukraine finally collapsed before it was able to exert its stabilizing effect upon post-war Europe. This rich Ukrainian state, so important economically and strategically, was nevertheless, partitioned, its people degraded to the level of "minorities" and divided between the nationally-mixed powers, Czecho-Slovakia, Rumania, Poland and the Soviet Union. By incorporating considerable parts of the Ukrainian territory and population within their political boundaries, all these states from the very beginning of their existence after the Great War and the Russian Revolution, became the breeding grounds of dangerous national

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struggles, oppressions, hatreds and fears, as well as potential sources of a new world war.

During the past twenty years the Ukrainian people, under the four occupant powers have experienced various degrees of cultural, religious, economic and particularly political oppression, including mass pacifications, and famine policies. Not the least of the grievances was the fact that this great nation was deprived, through censorship, suppression, and terrorism, of an opportunity to speak freely of its Cause in the international forum.

It is for this reason that we, the citizens of Ukrainian origin in the free British Empire, together with the friends of the Ukrainian people in Canada, are moved on behalf of the Ukrainian Nation in Europe, to draw to the attention of the British Government and other World Powers the following points concerning the Ukrainian problem:

1. In the interest of the balance of power and of a lasting peace in Europe the creation of the Ukrainian Sovereign State in the spirit of the Acts of January 22nd, 1919, embracing all ethnographically Ukrainian territories, is a historic necessity of wide international significance.

2. The Ukrainian territories now within the political boundaries of Czecho-Slovakia, Rumania, Poland, and the Soviet Union, must be regarded and dealt with, not as separate minority problems in each case, but as integral parts of the Ukrainian Cause as a whole.

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3. To avoid further complications similar to that of the recent European crisis arising from the minority problems of Czecho-Slovakia, we strongly urge and earnestly request the Great Powers, signatories of the Munich Pact, to appoint without delay an International Commission for the final settlement of the Ukrainian Problem in Europe.

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Conservative Party

C150603

[redacted]

Leader of the Opposition on Policy of the Government on

UNEMPLOYMENT

Manion's Points	Suggested Reply
(a) Burden of relief too heavy on provincial and municipal authorities.	(a) Federal Government since 1935 has assumed steadily increasing responsibilities despite constitutional limitations on raising and spending of public money for this purpose;
(b) Federal government must assume main share.	(b) Federal Government attempting to solve constitutional problem with view to just apportionment of responsibilities in interests of co-operation.
(c) "Well-timed reform alone averts revolution."	(c) Federal Government are not waiting for constitutional changes before undertaking more extensive programme.
(d) "Human rights must be placed ahead of special privilege."	(d) Great bulk of social reform instituted by Liberal party which has always stood for maintenance of human rights: note: Old Age Pensions; pensions for blind; unemployment insurance blocked by certain provinces.

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C150604

A PLAN FOR ABOLISHING UNEMPLOYMENT

BY INTERNATIONAL AGREEMENT.

by Colonel David Carnegie, C.B.E., J.P., M.Inst.C.E.,
F.R.S.Edin.

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SYNOPSIS OF PLAN.

The object of the plan is co-operative action in production and distribution, industry by industry, by national and international agreement and to give security of employment to every physically fit person.

The method of the plan is the regulation by international agreement of world production and distribution, industry by industry, and the determination of world prices of all products for (a), producers and (b), consumers, by representative national and international boards, and also the provision of national and international credits.

The results would include the disappearance of national tariff barriers.

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SALIENT FEATURES OF THE PLAN.

1. It is international. No nation alone, however powerful, can now or at any time regularise production, distribution and prices.

2. The machinery of organisation proposed is both international and national, industry by industry, under the control of private enterprises with state sanction.

3. The plan aims at developing initiative in all processes and means of production and of effecient management.

4. The plan provides for the highest effeciency in the selling and distributing organisation, but prohibits producers from selling in competition. No advertising or touting by producers for orders is necessary. The plan provides a national authority in each country which will be responsible for securing and allocating orders as well as distributing products.

5. Such allocation of orders to each producer ensures continuity and security of employment for all physically fit persons, impossible under the present system.

6. The plan affords to employers also a continuity of orders up to the determined quota and to all effecient employers a price for products which will be remunerative.

7. The international authority determines prices paid to producers.

8. The international authority also determines prices

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SALIENT FEATURES OF THE PLAN.

paid by consumers for products.

9. The plan is constructed to operate in conjunction with existing commodity exchanges.

IO. Merchants, brokers and others, sellers and buyers, must co-operate with national industry boards. All commissions on sales to be fixed by international authority.

II. The international board arranges for credits to increase the purchasing power of world markets.

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A PLAN FOR ABOLISHING UNEMPLOYMENT

C150608

BY INTERNATIONAL AGREEMENT

Suggested cures for unemployment multiply, but unemployment continues. All admit that no physically fit person should be compelled by a nation to be a parasite. It is degrading both to the nations as a whole and to the man himself. All industrial nations are in the grips of a competitive industrial system which has produced the world crisis in unemployment. This system has become a danger to world peace, although for years it made Britain prosperous when she almost alone supplied the markets of the world. The increasing number of industrial nations applying the same system has made matters worse.

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Today there is in the world a state of economic warfare. Each industrial nation is now fighting for the markets of the world. Nations which were once buyers are now sellers of the same kind of products they formerly bought. There is room for all industrial nations, but there is no room for disorder, fear and suspicion, which have produced world chaos and the present state of unemployment.

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An industrial system which can find no scarcity in the world of raw materials, man power and unused capital, and

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yet allows millions to live in constant jeopardy because of insecurity of employment, must be recast or scrapped.

The system is now international and requires international re-organisation. The disease appeared in the system many years ago. It can be cured now.

The captains of industry throughout the world have been slow to discover the great and vital distinction between the many valuable forms of competitive endeavour in production, which bring out the very best in mankind and must be encouraged, and the cruel and senseless competitive system in the distribution of products which brings out the very worst in mankind.

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Here is the crux of the present situation. Under cutting of prices below the economic costs of products was apparent well over 25 years ago when Germany dumped into Great Britain steel products at a price 25% below that at which they could be made in Sheffield. Germany was determined to have the trade at all costs. Britain had taught the world how to make modern steel as she has taught the nations to make other products. The nations have undersold British traders in the markets formerly held by Britain.

All other industrial nations have a right to their place in the sun. They have quickened our pace. British productive methods have improved, yet we have lost our markets and we are striving to regain them by the old competitive system which is useless under present

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world conditions.

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So long as the present system continues there is no hope of any security of employment for the workers in any industrial country. The present competitive system maintains economic warfare disguised under different masks.

This assertion is amply confirmed in the report of the Director of the International Labour Office to the I5th Session of the International Labour Conference in May I93I, which deals with two evils both of which had in view the national protection of the employed.

The Report says, "TO take a typical example." "The Hawley-Smoot tariff came into force on I7th June I930." "It was intended to secure to the workers of the U.S. a certain stability of employment, and to defend them against the hardships of depression." "It threatened simultaneaously to create unemployment elsewhere." "Complaints were heard from the Swiss watchmakers' organisations, the silk industry in Lyons, and the lace makers in the North of France." "While mitigations were obtained on certain points, most of the European exporting industries concerned, which had been hard hit by the coming into force of the previous tariff, the Fordney-McCumber tariff, in I922, but had nevertheless succeeded by progressive adjustments in regaining a footing in the American market, once more found their business seriously affected, and numerous workers lost

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"their employment."

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"Even in the United States, however, in spite of its intentions to stabilise employment among American workers, this tariff has been a new element of disturbance." "Apart from the accumulation, on the announcement of the tariff, of stocks of goods which saturated the market for a considerable time and subsequently produced unemployment, American exports have in fact fallen, partly as the result of reprisals and partly from a natural reaction." "Though American protectionism cannot be held wholly responsible for the situation, the fact remains that at the end of 1930, six months after the erection of the new tariff wall by the U.S.A., the number of unemployed was still on the increase."

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The Report states further, "Last but not least, the same effects flow from dumping methods." "This term is often abused." "Around it have crystalised the fears and angers of producers and, sometimes, misguided and dangerous suggestions of anti-dumping." "There have in fact been numerous cases, even in the past year, in which Governments, in order to save the workers in certain industries from unemployment, have stimulated export by enabling such industries, by various means, to sell abroad at a price below that of the home market." "Among such cases may be mentioned the re-imbursement in 1930 by the Polish Government of the amount of certain customs duties

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payable by the national textile industry on the entry of its products into foreign countries; the complaints of the French hatters' unions against the competition of Italian products, which, in spite of the customs tariff, were sold in France at a price 20% below the French products.

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"But a still more serious problem is the dumping which is, or might be practised by certain important producing countries for all their exports." "The possibility of dumping by the U.S.A., for example, under the shelter of the Hawley-Smoot tariff, and the large scale on which this could be carried out have given rise to considerable apprehensions in the Old World."

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I have quoted M. Albert Thomas' Report at length to show the extent of the economic warfare which exists between the nations, a warfare which is provoked and maintained by a competitive system which, it must be clear to all, should be abolished or effectively controlled, if the industrial life of the nation is to be saved from destruction.

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Industrial System Recast.

The present system can be recast without violent upheaval. Concentration and reconstruction are necessary on two things :-

(1). Production. (2). Distribution.

Both are quite distinct services to industry. They

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utilise different kinds of skill. [redacted]

Production calls for craftsmanship and technical and scientific skill dealing with design, quality and manufacture of products.

Distribution is chiefly concerned with the commerce and finance of salesmanship.

The control of both services has been so mixed up that the valuable use of competition, so necessary in bringing out initiative in organisation and inventive research in processes of production, has not been distinguished from that misuse of competition-producing weapons in economic warfare which have cut market prices far below economic costs. It has produced dumping, the sure end of which is bankruptcy.

I am aware of the contention that the claim I make for individual freedom in production is regarded by many to be just as essential in buying and selling. This claim I do not admit. In discriminating however between the necessity for competition in production and the prohibition of competition in buying and selling, I do not suggest that such prohibition implies that ineffeciency in salesmanship or in the organisation for distribution must be tolerated. On the contrary, a wholesome competition in devising and using systems which make for better effeciency in distribution is just as essential for progress and prosperity in distribution as in production.

That however is a totally different matter from the individual freedom which fosters commercial warfare in the

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cutting of prices of products below their economic cost so as to secure orders for them.

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Consider what is involved, for instance, when a dozen contractors quote for the supply and construction of a large bridge at a time when trade is dull and each contractor is determined to obtain the order; think of the expenditure by each in the preparation of tenders; think of the serious public menace the acceptance of such an order may mean if taken by one of the contractors at a price below that at which he can reasonably pay his operators a fair wage, and supply the bridge in accordance with the standards required, with any hope of having a profit at the end.

Think also of the temptation ofthe contractor under such conditions to use materials of a quality which are not up to standard specifications, and to demand concessions from inspectors to accept lower grades of materials which do not possess the factor of safety required.

Think again what temptations there are under such pressure to reduce the character of the finish of the product by cutting out high priced skilled labour which a contractor may try and replace at a lower wage and still hope to maintain the standard of finish required.

If we examine carefully the present system of competition for orders, we shall find it has its fundamental roots in the well established formula which has been

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studied and proclaimed by political economists for years.

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Adam Smith built his great economic theories on self-interest and natural liberty. These have been championed by industrial leaders, and, without any doubt, have served a useful purpose in securing the wealth of nations.

To object to natural liberty as a fundamental principle in the development of trade would appear to strike at the root of that freedom, without which our best activities suffer. Why should we object to natural liberty, it is asked; why not break the shackles of evry system opposed to it? Unfortunately, we cannot release the natural forces of humanity in society without setting free greed, avarice and other vices which have made competition for trade almost diabolical in its results.

We must recognise that while we do not seek to limit the true value of natural liberty in industry, boundaries must be set by moral and spiritual laws to prevent unrighteous dealings, while channels for the fullef development of character and the exercise of individuality are increased.

The great exponent of the principles of self-love and natural liberty, were he here today, would, I believe, recognise that natural liberty in commerce which promoted warfare between industrial nations such as unwholesome competition does under our present system, ~~and he~~ would be the first to restrict it. The workers recognise, and many of the industrial leaders now admit that the

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unfettered principle of self-love in industry instead of promoting its development has become a source of great danger to society.

Apart altogether from its distinct and pronounced antagonism to christian ethics, which we cannot afford to ignore or neglect, "Self-love" in industry has promoted and maintained an uncontrolled, unwholesome and unrighteous competition for trade which had bred jealousy, and other evils, between manufacturers, and none can tell how far this same evil has caused wars between nations.

In the recast of the industrial system which I am about to propose, I want to show that the first thing to tackle is the separation of the control of the two important services, namely, production and distribution. I do not propose the State control of either, but the control by private enterprise of each, with State sanction.

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The question of both production and distribution concerns all industrial nations and must be considered internationally. The international aspect of industry is increasingly recognised. Even in the U.S.A., where isolation has been championed ever since the Munro doctrine declared a policy of independence, a change of heart has taken place. On June 20th 1931, an editorial in the New York Times dealing with President Hoover's suggested help to Germany, under the heading of "No Splendid Isolation", stated, "We cannot stand apart and think we can suffer no harm." "Our commitments abroad

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"are too vast for that, too vital the need of foreign trade for our congested producers of raw materials and food manufactured articles. It is to-day as if there were but a single nervous system for the entire civilised world. A short at one exposed filament instantly sends tremors running through the whole framework."

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What is now being done by most industrial nations to put their producing units in first rate order is all to the good. Processes of rationalisation, the scrapping of ineffecient units and every endeavour to mechanise industry and utilise the triumphs of scientific genius for better and cheaper production, will but sharpen the competitive weapons in each country and make the results more cruel and unemployment greater, if international control is not established.

No nation alone, however powerful, can regularise production for the world's markets. Each industry must be tackled separately.

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My proposals are -

(I). The regulation by international agreement of world production and distribution, ~~and~~ ~~its~~ industry by industry, under private control, with state sanction.

(2). The classification of all products, industry by industry, and the determination of world prices of all products for (a) producers and (b) buyers.

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(3). The establishment of international credits through international and national banks to increase purchasing power.

Resulting from these proposals, two conditions at least, would be established :-

(1). Trade barriers between nations would disappear as uniform prices would make them unnecessary, and

(2). Regular employment would be assured to every physically fit person.

What this regulation by international agreement would involve requires very careful consideration. My object now is to show what is necessary for the recasting of the present industrial system by utilising all that is valuable in it. I propose therefore to give a general idea of the plan as applied to any industry and then describe the machinery of organisation for such a plan as applied to the iron and steel industry. My proposals involve international agreement to regulate production and to abolish by law, in each producing country, competitive buying and selling by producers. Instead of the producers buying and selling competitively this would be done by a national distributing authority, not State controlled, who alone would be, by law established, responsible for securing and placing all orders for products with theproducers, and for the payment of the products on the basis of a price for each classified and standardised product, determined in consultation and agreement with an international authority. The price

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paid in each country to each producer would be the same for the same product produced under the same standard conditions of labour, wages and living.

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It may be said that this uniformity might be hard to secure. I fully agree. The difficulty in securing international agreement to such a common policy I do not regard in any sense as an easy matter. I have watched for twelve years the slow movement of the international mind to the acceptance of the Washington Hours Convention. In the report on unemployment problems in 1931 issued by the International Labour Office, the difficulties in obtaining international action in industry are dwelt on. It states that, "In industry the spirit of individual competition is stronger and rivalry between countries is greater." Not a hopeful attitude. But it goes on to say, "Already, however, many branches of industry have united nationally and internationally for regulating production and adapting it to demand." "And it does not seem impossible to imagine that production could adapt itself more closely to market requirements, and that means could be found to avoid this great waste of productive energy, which is so seriously reflected in the unemployment it causes amongst the workers."

I know that human nature cannot be changed by international agreement, a change of heart and a change of opinions are the first steps to international agreement. These are not impossible. Who would have

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thought that in ten years the compulsory principle in arbitration for the settlement of legal disputes would have been accepted by practically every nation? Such a forward movement of public opinion in so short a period would have been almost unthinkable a few years ago. The policy I propose may be considered impossible of fulfilment, but as sure as day follows night it will be accepted just as soon as the people recognise its justice.

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As the real wages and the standards of living differ in different producing countries, the international authority would make adjustments in the price paid for the same product to the producers. For instance, if the standard price for the product paid to the producer is X., determined by a competent and impartial body of experts as being the fair price to pay for the product produced in the most effecient manner and under the highest standard of wages and labour conditions in any country of the world, then that price would be paid to all producers in every country who conform to the standard. To those who did not, the price X., would be paid, less that amount determined by the international authority, which would be based on an equivalent to the difference of wages etc., in each producing country. The difference would be definitely and accurately scaled and tabulated to avoid any disputes. The amount resulting from any difference in the price, paid below the standard price, would go to the Government of the country and not to the

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national or international authorities.

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This proposal may appear fantastic. Let us examine it as applied to a definite product. Take for instance steel rails to be supplied to a standard specification. The producers' price would be determined by the competent price-fixing authority from the actual costs of production.

The cost would be assembled from charges made in works where the most effecient plant for rail production existed and in the country where the highest standard of living was maintained and the highest wages were paid.

The assembly of such a cost would present little difficulty. That would be a matter as of every day occurence in properly conducted organisations.

The cost of production would include all charges up to that point where the rails were finally completed, tested, and accepted by the national authority as ready for shipment from the works of the producer.

The price paid to the producer would be the actual cost, plus an agreed percentage profit, determined by the international authority. It might be 10 per cent or more but it would be an agreed profit.

Thus the producers' price for rails would be the total cost plus a percentage profit in all countries where the standard of living and the real wages were the same.

It will be obvious that although all producers of rails would receive the same price under the same conditions of living, wages and hours, the actual percentage

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profit would differ according to the effeciency of the organisation. It would be the business of the less effecient organisations to put their works on an effecient profit making basis. Here wholesome competition would come in.

In countries where the standards of living were lower and the real wages paid were lower, the same price would be paid to the producer of steel rails made to the same specification, less a deduction, the amount of which would be according to the difference in the cost of their production due to the difference in the real wages paid compared with the standard wages.

To calculate this difference presents little difficulty. Tables could be prepared showing the differences in costs due to the different standards of living and real wages in each country.

If, for instance, the standard producer's price for steel rails was fixed at £5 perton and in another country - due to lower wages - £4.I5. per ton, the lower price would be paid to theproducer but the difference of 5 shillings per ton would be paid to the government of the country, of lower wages. Thus the country as a whole would benefit at the expense of the lower real wages of the industry.

But producers would see no benefit to themselves by such an arrangement and in their own interests would be induced to pay the highest standard of wages. This does not mean that in countries like India where steel is

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produced that the same pay per hour must be paid per person as in a corresponding steel mill in the U.S.A., but it does mean that the total wages paid shall be the same per ton of steel rails and the real wages per person shall be equivalent to the standard wages. One man in the U.S.A. may be equivalent to three men in India. Obviously to pay each man in India the same wage per hour as each man in the U.S.A. would make the cost of labour in India three times that in the U.S.A.

That would not only be uneconomic, but would encourage incompetence and physical disability. I mention this extreme case to show that even in such cases the adjustments necessary in fixing the price paid to the producers are not insuperable.

It will be seen, therefore, that although it may be necessary to make adjustments in the producer's price for rails in the different producing countries, the price of £5 per ton would be paid in all countries, but the producer would receive £5-less the equivalent for the difference in wages and standard of living, which difference would be passed to the country of the producer.

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The object in view would be to raise the standard of living of all workers to, as far as possible, a uniform standard. If a uniform price were paid to all producers, regardless of the standard of wages etc., some producers would have an unfair advantage in being permitted to make a greater profit out of their products

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by reason of having lower standards of wages than producers in another country whose standards were higher and upon which the price was fixed. It would be to the advantage of producers to level up standards all over the world.

As a matter of fact the wages paid by the Ford Motor Companies in many lands shew what possibilities there are of levelling up standards all over the world. At a meeting of the Ford Motor Company held in March 1930 at the Hotel Cecil, the Chairman (Sir Percival Perry) said, "Almost every one interested in the economies of industry is aware of the Ford theory (and practice) of high wages. For example, the average wage paid at our Manchester works (2670 men) is 2s.9⅜d. per hour, and at Cork (6705 men) 2s.3¼d. per hour. We work only a forty hour week. Wages paid in Ford factories throughout Europe are, having regard to the variations in the cost of living, in proportion. I would like strongly to emphasise that these working hours and wages do not evidence any sort of haphazard experiment or diluted philanthropy."

"For example, so as to avoid the nuisance and complications of money currencies we have initiated a labour currency. Factory experts call it "minute costs"."
"This company and its associated companies are employing Englishmen, Irishmen, Dutchmen, Frenchmen, Belgians, Danes, Germans, Italians, Spaniards, Swedes, Finns, and Turks, all working in their respective countries, and

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•doing the same job with similar tools under equal factory conditions. We compare how long it takes each respective man to complete his work. In Denmark, where we pay the highest wages in Europe, we find the lowest minute costs. On the other hand, in Belgium, where the wages are lowest, the minute costs are highest."

"Last, but not least, I know that you will be interested to hear that these comparative statistics have enabled us to establish the fact that the American workmen is no miraclemonger. Neither is the British, Irish or Continental artisan any inferior creature. Given like conditions and treatment, our workers here in Europe actually beat their American cousins, as proved by the standard of our minute costs."

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I have been dealing with a uniform price and with adjusted uniform prices for products at the works of the producer ready to be delivered to home or foreign markets. That price would be paid by the national authority to the producer. The producer may not know to what market of the world the goods may be going. His obligations finish when he hands the products over to the national authority. <u>The national authority becomes the seller of the products.</u> The selling price which the national authority would be authorised by the international authority to charge would exceed the price paid to the producer by such an amount as would cover freight, organisation and all overhead charges incurred by the

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national authority and also a share of all charges incurred by the international authority.

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Thus if steel rails cost £5 per ton at the works of the producer and the entire overhead charge of distribution, plus an agreed profit, added another ten shillings per ton, the price charged to the customer in any part of the world would be £5.10. per ton delivered. Transportation charges to different parts of the world would differ, but allowances for such differences would be made for in the uniform price.

The profits in trading would go, after payment of dividends on invested capital which would be limited to a maximum percentage, to reduce the cost of products when periodic revision was made.

Both producers' prices and customers' prices would be reviewed and adjusted periodically.

As each national authority would buy from the producers in the country it represented, it would supply all home and foreign markets up to the allocated amounts as arranged. If the producers of a country were unable to supply all the products of the industry required by that country, the national authority of the industry would buy any additional requirements through the national board of any other producing country.

The international board, which would consist of representatives of all national boards, would estimate the world's requirements for a fixed period and allocate to each nation the amounts it could sell beyond which it

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must not go.

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The buying and selling organisation of the industry for the markets of the world would be planned by the international authority, each nation only sharing in carrying out the advertising and appointment of agents as may be agreed upon by the international authority.

Orders would flow to the national authorities from the markets of the world, as they would become known as the recognised channels through which alone products could be supplied. Thus international co-operation would replace international competition in selling and buying and regular distribution would result. Production would be regularised and over-production in one country and under-consumption in another would cease. Stability in industry and security of employment to the workers would result.

It is well to pause here and remind ourselves that all this reorganisation is proposed to be carried out by private enterprise, with private capital, and with such sanction from the State as private enterprise may deem necessary for putting into effect the proposals. It is international co-operation, industry by industry. It gives private enterprise the opportunity of saving itself from what it dreads, State control and "international socialism", whatever that may mean. But further it provides a means for restoring employment to every physically fit person.

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It may be asked how can employment be assured to the workers if at present so many are unemployed? Surely, it is said, that if you are to encourage effecient production and all possible means for the elimination of hand labour, you will reduce rather than increase the number employed. It certainly looks like that on the suffface, but that would not be the result if my proposals were carried out. Immediately the quota of production for the nations was determined for each industry, the employers would arrange for the employment of all the workers they would require in regular employment over the period for which the quota extended. For continious working of plants which operated night and day, 4 shifts of six hours instead of 3 shifts of 8 hours might have to be arranged, or at least such arrangements would be organised as to absorb every physically fit worker. Where works did not use continuous processes, the length of day would be arranged in two or more parts to absorb the number of employees unemployed. This is simply a matter of organisation and presents no real difficulty. It was quite common during the war to have several shifts arranged in rotation so as to employ the greatest number of workers possible.

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What about the additional cost of production, it may be asked? Well, the cost would be increased by using a larger number of workers for a shorter number of hours. But against this cost is the saving per year to this

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nation in unemployment pay and~~tion~~ the corresponding sums saved by other nations.

The competent price fixing authority who determined the cost of each product would do so on the basis of a 35, 40, or 45, hours week, or such hours as were necessary, instead of at present a 48 to 60 hour week for the workers. Such a week, shorter in hours, would be paid for at the standard wage determined by the international authority, but no less than that at present paid in the country where the highest standard of living existed.

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As to the composition of the national and international authorities, if the public opinion of the nations is to accept and support the idea of international control of prices and the regulation of production and distribution, there must be represented on the international and national authorities :-

(I). Representatives of the producers.

(2). Representatives of the workers.

(3). Representatives of the consumers, (or the Government).

I propose that such representation should follow the practice of the International Labour Office.

II.

Plan applied to the Iron and Steel Industry.

In an address which I delivered at the Annual Meeting of the Canadian Mining Institute, Montreal, on March 6th 1918, and repeated by request at a general meeting of

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the Toronto Board of Trade on theI8th March of the same year, I outlined a similar scheme as applied to the iron and steel industry. The general proposals set forth in the forgoing pages are applicable to all industries but I have chosen to apply them to this industry as I have some particular knowledge of it.

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It seems to be also an opportune time to show how the iron and steel industry may be revived. Those concerned in the industry are making great efforts to find a way out of the present chaos. The Iron and Steel Trades Confederation has produced a scheme for the revival and development of the iron and steel trades which I believe could be supplemented and made acceptable if the principles which underlie my proposals are applied. The Federation of British Industries which goes a long way to support the scheme proposed by the Iron and Steel Trades Confederation's scheme, will find that their chief claim for tariff barriers would be unnecessary if my proposals were adopted.

Tariff barriers are weapons ~~are~~ of warfare designed by each government which applies them to protect the industries of their country. Unending arguments are advanced as to why these weapons should be used. It is no part of my scheme to discuss political theories of Free Trade and Tariffs. These have been discussed by the ablest economists of the world. The Economic Conference at Geneva in I927, where the representatives of over 40 nations met, pronounced against competitive tariffs and urged their gradual removal.

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What I wish to emphasise is that the root cause of tariff warfare would be removed by the adoption of world prices for products and the regulation of production internationally. Tariffs would automatically cease to exist.

Tariff barriers maintain the competition in selling which I believe has produced the present states of unemployment. Competition has cut the prices to a level below which producers can exist and unemployment must result.

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Here then is the application of my proposals to the Iron and Steel industry :-

The organisation would consist of :-

(I). A national iron an d steel board composed of representatives of employers and workers in equal numbers elected by their organisations, and of consumers nominated by the Government, in ~~equal~~ number equal to the combined numbers of the employers and workers representatives.

(2). An international iron and steel board composed of representatives of employers, workers and consumers having the same ratio of representation as on the national board. The chosen representatives would be selected by each national board.

(3). The number of representatives on the national and international boards is a matter of arrangement and agreement.

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Functions of the National Iron and Steel Industry Board.

The functions of the national iron and steel industry board in each country would be very comprehensive. They would include every interest for the maintenance and development of the industry, and by act of Parliament in each country the powers of the board where necessary would be confirmed. Many organisations now at work for securing better iron and steel trade and maintaining a high standard of product in each country would co-operate with the national board. For instance, in Britain, the National Federation of Iron and Steel Manufacturers, the British Steelwork Association, the British Export Association, the Iron and Steel Trades Confederation and other kindred bodies would be linked up with the board. The Iron and Steel Industrial Research Council and other scientific bodies working in conjunction with the National Research Laboratories, the Universities and other institutions would all cooperate directly and indirectly with the central national iron and steel industry board.

The work therefore would be regularised with more effecient results. The national iron and steel industry board in each producing country would be the only source through which the international iron and steel industry board would operate for the supply of the iron and steel markets of the world.

Agreements as to the conditions, nature and amount of the supply of iron and steel products from each country to any markets of the world would be made as between the

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national and international boards and not as between the international board and any separate producing unit.

All the functions of the national boards would be determined by the international board. The international board would stipulate similar regulations for the guidance of all boards so that all returns made by the national boards would be comparable. At present there are 24 different countries in the world producing iron and steel.

The chief functions of a national iron and steel industry board would include, :-

(A). To measure the total capacity of the producing units of each nation to produce all iron and steel products such as :- I. Pig iron in tons per year.

2. Steel ingots =:=

3. Steel castings =:=

4. Rails =:=

5. Tyres =:=

Sections in tons per year.

I. Plates and Sheets in tons per year.

2. Bars, rods, angles, =:= =:=

3. Hoops, tubes, pipes, =:= =:=

4. Files, etc., etc., =:= =:=

The national board would not only ascertain the total producing capacity of the country, but the capacity of each producing unit for each class of product. The estimate of capacity given by the company or organisation would be checked by a competent and impartial authority. The classes of products and the rated capacity to produce

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each class would be tabulated.

(B). Having ascertained the capacities of each producing unit to produce effeciently each class of product, the national iron and steel industry board would tabulate what each company had actually made and sold during a period of years. This would be necessary in order that the international board should allot to each producing country a fair share of the world's demands. For instance, the following countries produced in the years 1928 and 1929 pig iron and steel in the amounts of millions of tons as given below.

	Pig Iron		Steel	
	1928.	1929.	1928.	1929.
United Kingdom	6.61.	7.58.	8.52.	9.65.
Belgium	3.84.	4.00.	3.87.	4.05.
France	9.82.	10.30.	9.35.	9.52.
Germany	11.62.	13.19.	14.29.	15.99.
Luxemburg	2.73.	2.83.	2.53.	2.66.
Saar	1.91.	2.10.	2.04.	2.19.
Other countries	12.25.	13.61.	15.84.	17.81.
Total	86.94.	95.90.	107.98.	117.88.

The actual production for these years though greater than for previous years is not equal to the total capacity of the organisations of the world to produce. It is possible that the board would find it was only equal to from 50% to 75% of the works' capacity. It might also be found by the international authority that the world's markets could not immediately absorb the full capacity of all works. Thus agreement would have to be reached on the ratios of productions each country should undertake and beyond which each should not go.

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Here the question appears one of agreement and so long as it can be proved that such agreement is in the interests of producers there should be little difficulty in reaching a decision.

The function of the international board would be to determine the total amounts by classes of steel products which each nation would be allowed to produce over a period to be mutually agreed upon. Periodic revision would be necessary.

Facts are already assembled which would help boards in reaching decisions. For instance, the percentage proportions of the world production of pig iron and steel of the chief producing countries in 1913 and 1929 were :-

	Pig Iron		Steel Ingots & Steel Castings	
	1913	1929	1913	1929
United Kingdom	13.2	7.2	10.2	8.2
Belgium	3.2	4.2	3.2	3.4
France(Post-war territory)	11.4	10.8	9.1	8.1
Germany -ditto-	13.7	13.8	16.0	13.6
Luxemburg	3.2	3.0	1.7	2.3
Saar	1.7	2.2	2.7	1.9
United States	40.0	44.0	42.0	47.5
Other countries	13.6	14.1	15.1	15.0
World.	100.0	100.0	100.0	100.0

Thus taking the actual production as for 1929 in this general way there is no difficulty in determining percentage amounts in bulk or even in classes, the question would be how far the nations would be willing to agree to them.

(C). The national iron and steel industry board would be the one buying and selling agency for the

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industry in each country.

For instance, the United Kingdmm in I929 produced 9.65 million tons of steel ingots and castings. It exported 4.37 million tons and imported 2.8I million tons. Her imports measured in terms of ingots were 3.0I million tons, so that the total production of 9.65 plus 3.0I million tons was equivalent to I2.66 million tons. The percentage therefore of exports to production and retained imports was 38.5. The country therefore consumed at home I2.66 million tons less the ingot equivalent of steel manufactured exports of 4.87 million tons. All this business would be transacted through the national board. Importers would have to buy through the national board.

If the purchases were on the same scale as in I929, 7.79 million tons of steel of sorts would be bought through the board for the home market and 4.87 million tons would be exported. Iron and steel merchants would continue to run their businesses just as at present, but their buying would have to be done through one source only, the national iron and steel industry board. All commissions on sales would be arranged and scaled by the international authority so that in each country merchants buying from the national boards would buy at the same price under the ~~same~~ same regulated scales of commission. They could only sell the same products at the same fixed prices to all customers.

No merchant could import iron and steel products.

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They would have to order their requirements from the national board and it alone would be responsible for all importation of iron and steel products.

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It might be thought that delays in supply would arise due to merchants having to buy from the national authority instead of direct. This would not be so. Marchants would not have the trouble and the delay of enquiring through foreign suppliers for the kind of products they required. Merchants might require some product about which they had not the knowledge where to buy. Through the national authority access at once would be made direct to the source of supply. Instead of delay, more rapid action would be possible in obtaining supplies.

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(D). Let us examine more closely what the buying and selling capacity of the British national iron and steel industry board would involve. Taking the chief products of the industry, the actual total home consumption has varied but little recently from year to year over a period of years. The exports also vary according to the nature of the products, but the total exports annually have been fairly constant during the post-war years. If we take the years 1913, 1925 and 1929 and compare the imports of iron and steel and the manufactures thereof by products, we have the following. (See over, P.31.)

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In thousands of tons.

Products	1913	1925	1929
Pig iron	184.7	264.4	116.8
Ferro-alloys	31.9	21.2	30.9
Blooms, billets and slabs	514.0	652.4	577.8
Sheet and tin plate bars	345.5	509.4	418.5
Wire rods	95.2	113.9	125.0
Iron bars, rods & angles	200.0	231.7	185.8
Steel bars, rods & angles, bright steel bars	133.6	169.3	377.7
Steel castings (in the rough)	12.0	6.0	14.2
Steel forgings (in the rough)	21.6	6.7	5.0
Girders, beams, joists	109.0	108.6	141.4
Hoops and strips	72.4	70.9	173.1
Plates & sheets not under ⅛" thick	134.6	155.7)	
-ditto- under ⅛" thick	34.9	11.5)	197.0
Tubes, pipes and fittings (cast)	11.1	36.9	32.1
-ditto- (wrought)	52.8	51.4	78.5
Rails - Railway	21.6	32.1	11.1
Rails - Grooved for trams	10.1	0.3	-
Tyres & axles	7.7	1.4	0.3
Wire	54.4	58.1	72.1
Wire nails	50.2	61.3	68.0
Other items	133.7	149.1	178.7
Total	2231.0	2719.8	2816.6

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This is indeed an interesting table upon which much could be said apart from the question of buying and selling, but we are now considering the functions of the national board and must confine our consideration to that question. It will be obvious to any one that there is nothing complex or intricate in the buying from different producing countries the materials as specified. The buying organisation of each national board could be sub-divided into departments to facilitate the buying of the different classified products. The British national board would buy, not from foreign producers, but from the national board of the countries producing the articles required.

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& Statistics are so complete as to the countries from which iron and steel products are now purchased by the United Kingdom, as well as by most countries of the world, that there could be no difficulty whatever in establishing a complete imports buying department.

For instance, the British imports of iron and steel and manufactures thereof by country of consignment for the years 1913, 1925 and 1929 are as follows :-

In thousands of tons.

Country	1913	1925	1929
Sweden	208.7	63.3	73.2
Netherlands	7.2	55.2	90.9
Belgium	583.6	1290.4	1674.5
Germany	1197.7	366.9	447.0
France	37.0	596.2	321.3
Luxemburg	-	204.0	69.9
United States	154.1	60.1	63.8
Other countries	42.7	83.7	76.0
Total	2231.0	2719.8	2816.6

Therefore all iron and steel products required for home consumption would be purchased direct from the home producers, wherever possible, and from the national boards of foreign producing countries where home producers could not supply the requirements. In some cases the home producers would be buyers from, and also sellers to the national board.

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From the table of imports I have given, it will be seen that a fairly steady supply of blooms, billets and slabs are purchased yearly in this country from abroad. They are the raw materials of rolling mills, where bars, rods, etc., are made. The rolling mills would receive

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from the national board their contracts for the supply of rods or bars and the mills would order from the board the quality, size and weight of billets they would require to complete their contract. They would not, as at present, buy direct from the foreign producer. The simplicity of buying through one source and the assurance of the regularity of supply without the unwholesome barter, would greatly facilitate production and distribution at much lower costs.

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(E). The work also of exporting through the national board would be greatly simplified.

Take the analysis of the exports of iron and steel manufactures thereof by products for the years 1913, 1925 and 1929 and it will be observed how easily this buying and distributing could be handled nationally, by classifying the sales in order of products.

In thousands of tons.

Product	1913	1925	1929
Pig iron	945.3	467.6	455.6
Ferro alloys	178.9	92.4	89.6
Iron bars, rods, angles, etc.,	141.5	37.1	27.1
Steel bars, rods, angles, etc.,	251.1	234.8	319.6
Girders, beams and joists	121.9	64.1	87.7
Hoops and strips	45.7	60.6	60.1
Plates and sheets not under ⅛"thick	136.4	118.5	198.6
Plates and sheets under ⅛" thick	68.2	197.5	287.0
Black plates(including Canada plates	71.8	34.7	30.7
Galvanised sheets	762.1	713.1	711.8
Tinplates and sheets	494.5	511.4	579.8
Steel castings (in the rough)	1.1	0.9	1.5
Steel forgings (-ditto-)	0.9	1.0	1.2
Tubes, pipes & fittings (cast)	235.1	94.2	136.1
-ditto- (wrought)	164.6	191.9	317.7
Rails - Railway	500.1	207.6	326.1
Rails - Grooved for trams	6.5	9.7	8.1
Sleepers and fish-plates	118.8	94.1	51.8

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Product	1913	1925	1929
Wire	60.5	74.2	83.0
Other items	664.2	526.0	606.3
Total.	£969.2	£373I.4	£379.4

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Thus the national iron and steel industry board in each country would have three distinct main selling sections.

I. Supplying home users with products produced at home.

2. Supplying home users with products purchased from abroad through foreign national iron and steel industry boards or through agency boards and other sources in non-producing countries where agency boards were not established.

3. Supplying home products to foreign markets through the national iron and steel boards of iron and steel producing countries, and to the users direct through the agency boards of the international board in non-producing countries.

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(F). From an examination of the countries to which iron and steel and manufactures thereof are exported it will be observed that some of the countries are non-producing, so that no national iron and steel board would be established there. The agents, however, of the international board would be in every country where iron and steel products were used and where the raw materials required for the industry were obtained.

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Here is a list of the countries to which the United Kingdom exported in the years 1913, 1925 and 1929 and also the amounts exported :-

In thousands of tons.

Country	1913	1925	1929
Norway	82.4	47.0	49.5
Sweden	117.7	43.9	33.0
Denmark	69.3	54.5	51.9
Germany	199.3	74.9	62.9
Netherlands	146.3	100.9	73.6
Belgium	125.8	111.2	154.0
France	203.2	72.4	124.2
Spain	42.4	49.6	49.6
Italy	143.8	99.8	88.8
China	57.6	53.1	42.3
Japan	238.1	133.5	149.5
Portugese E. Africa	55.2	53.0	53.6
Chili	60.4	33.3	28.2
Brazil	117.7	53.9	73.8
Argentine	358.5	271.2	340.8
Other S. American States	34.9	49.2	39.2
United States	176.5	162.6	80.3
Other foreign countries	367.7	285.8	234.1
Total foreign countries	2596.8	1749.8	1729.3
India and Ceylon	896.2	626.9	569.2
Strait Settlements	112.9	100.4	107.4
Hong Kong	28.2	22.7	23.3
Egypt	63.2	55.6	60.2
British East Africa	18.9	72.3	45.6
British West Africa	46.4	50.3	35.1
South Africa	260.7	213.1	293.0
Canada	187.3	100.5	136.4
Australia	567.1	427.6	406.0
New Zealand	154.1	151.5	138.4
Other British Possessions	37.4	160.7	79.9
Total British Possessions	2372.4	1981.6	1894.5
Unallocated			755.6
Grand Total	4969.2	3731.4	4379.4

Several of the other producing countries export to as many foreign countries as Great Britain does. It is unnecessary to give the names of the countries here, but records are available.

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It will be seen from the list of countries to which

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iron and steel goods are exported by Britain that in several countries iron and steel products are not made and the buyers in such countries would have to purchase their requirements through the international agency of the international board which would be set up in all buying countries where iron and steel products were used or could be used. To illustrate procedure, the buyers might be bridge builders, railroad companies, structural builders, but all their enquiries would have to pass through the agents of the international board in the country ordering the material.

If, for instance, British engineers, with offices in London, have an order to build a railway in a South American State, unless the government of the country specified that the materials had to be purchased from certain countries, the procedure would be for the British engineers to place their orders with the British national iron and steel industry board. The board would quote the standard prices to the British engineers for the supply of the materials to the engineers' specifications at the works of the producers ready for shipment. The national board would have its own inspection branch and would satisfy itself that the materials passed the requirements of the specification.

The British engineers would be at liberty to send their own inspecting engineers to satisfy themselves that the tests were correct, but the material would be finally accepted from the producers by the national

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board, who would be responsible for the delivery to the British engineers of the products.

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If the engineers who had the contract for the railway had their offices in South America but specified British steel, the order would be passed through the agents of the international board in the place and passed on automatically to the British national board. If the national board had not already supplied up to its quota, for the period in question, the class of product ordered, it would accept the order after making financial arrangements, with the agents.

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What about national jealousy it may be asked? Well, I do not expect that any reform will eradicate that human weakness, but I cannot see how it can be greater under co-operative action where facts are revealed, than where conflict and suspicion grow in ignorance of the facts.

I should conclude that national jealousy would be less rather than greater under the co-operative action of industries planning for the help of each other.

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Thus the functions of the national iron and steel industry board might be briefly summarised :-

I. To encourage and develop the production of iron and steel in the country.

2. To measure the effecient capacity of each producing unit for the classes of iron and steel for

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which it is best fitted.

3. To receive orders for all iron and steel prdducts required for home and foreign production from any sources up to the total amount allocated for each class of product made.

4. To place orders with the producers and be responsible for the quality, quantity and delivery of the products up to the allotted amount for each producer over a given period.

5. To distribute to home and foreign buyers all products made by home producers.

6. To import from foreign national boards and agencies products for home consumption, and to be responsible for their delivery to the users.

7. To receive payment for the products according to standard scheduled rates determined by the international iron and steel industry board.

8. To pay producers at home the scheduled rates for the goods as finally inspected and accepted at their works for delivery, and to pay foreign national boards and agencies for any products purchased from them and imported to Britain.

9. To buy any raw materials such as iron ores, etc., used by iron and steel producers in the manufacture of the products and sell to the producers.

IO. To co-operate with the international iron and steel industry board in (a), determining what allocations of steel and iron tonnage each producing country should

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be allowed to make: (b), fixing the standard prices for the products as paid to the producers;
(c), fixing the standard prices charged to consumers;
(d), determining the nature of the organisation of each national board and its functions, and to standardise as much as possible all forms of administration, accounting, inspection, technical investigation, methods of advertising and disposal of agents, etc, etc., and to facilitate credits where necessary.

These, briefly, are the main functions of the national board.

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Functions of International Iron and Steel Industry Board.

The functions of the international board would be generally :- (I), to settle as between each producing country what tonnages of iron and steel products according to classes each one should be allotted. It would be the total tonnage of each class of product. The national board of each country would arrange what division should be made as between the producers of a country. (2), to determine the prices to be paid to the producers in each country for each class of product and also the selling prices by the national boards for the same classes of products.

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I have already indicated in my general statement the basis upon which pricing would be done and how adjustments would be made on producers' prices according to the

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standard of living etc. I will not repeat what I ha[illegible] said. The international board being composed not only of representatives of the producers (employers and workers) but of the consumers, the interests of the buyers would be safeguarded.

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On the question of the nature of the basis of price fixing and the measure of prices for each product, many known factors common to all producing countries would have to be considered. Some are at present used in assembling costs upon which prices are fixed. It would be the object of an expert competent, and impartial price-fixing board set up by the international authority to see that justice was done both to producer and buyer.

The producers and buyers having a final voice in determining what the prices should be would see that their interests were sufficiently protected. If they differed, the matter would be referred for settlement to the arbitration council of the international board whose decision would be final. The international board having satisfied itself that the prices fixed were just, scheduled lists would be published in all countries, subject to periodic revision. At present, price lists of most products are published and have been for many years. So that the setting up of a properly accredited price fixing board under the international iron and steel industry board ~~under the international~~ to produce price lists for world prices would be carrying out on

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thoroughly business lines and on an international co-operative basis work which is now done irregularly by independent producers in some cases, by associations of producers in others, and for some products by international rings, as well as by the hit and miss processes of chance, irregular production and demand. A loose unsatisfactory system which has produced chaos and competitive warfare and distrust would be replaced by one organised on the broadest co-operative action and sanctioned by producer and buyer alike as well as supported by acts of Parliament.

The proportionate relation of buyers' prices to the producers' prices would prove in practice to be fairly constant. There would also be periodic adjustments in prices, not due to gambling, but to every improvement in production, or change in product. The competition aroused by the initiative of producers in promoting invention, improving designs, processes and factory conditions would prevent stagnation. Changes therefore in prices would take place as at present.

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But would the producers, it may be asked, have the same incentive to invention as now? If a profitable price is fixed for the products, why improve either the products or the methods for their manufacture? On the surface it seems that there is an argument for the lessening of incentive. If, however, the matter is examined carefully it will be seen that this is not the case. Invention, as a rule is not due to the effort

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of the producer but to the employee who may be one of the humblest workers. The producer is usually glad to secure any new invention which will help him either to reduce his costs, if the invention applies to processes or methods of manufacture, or to increase his chances of keeping his factory going, if the invention refers to a new product.

Any new product would help all producers, but the chief gain would be to the first producer, not only in royalties, but in getting the first products on the market. I do not think that the incentive to invention would be decreased. In government factories, where private profit is not the incentive to production, fresh inventions are common from officials and workers alike. The incentive is the reward given to the inventor.

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Another valuable asset arising from international price fixing would be the security given to the buyer of value for money. The classification of products on analysis and other definite quality standards forming part of the basis of price fixing would assure buyers that they were obtaining what they required at a definite price, whatever happened to be the geography of the works of the producer. The present rise and fall of prices by speculation, gambling and fluctuation of currencies would cease.

The international exchange on money values would be definitely scaled in relation to all prices by the price

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fixing authority, thus making simple the comparative prices of the same article in each country in its own currency. Any selling price fixed on any product would be the same for buyers in all parts of the world based on the gold standard or on some other standard acceptable to all producing nations. All prices would thus be based upon that standard and would differ only in the country of purchase according to scaled variations, agreed to as just.

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Other important functions of the international iron and steel industry board would be a world survey of requirements in iron and steel and consideration of means for stimulating demands. The machinery for such purposes would be set up by the international board and controlled by it. It would include the organisations to which I have already referred - an international agency in every country where iron and steel products are used or may be used. This part of the machinery would be most important for searching out new business and promoting and maintaining contacts with all existing organisations interested in the use of iron and steel products.

The functions of such agencies would be framed by the international board and the agents would be the servants of that board. Reports would be sent by the agencies to the international board of all contemplated requirements by Governments, public or private users. Thus

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world requirements would be assembled.

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Another important function of theinternational board would be advertising. It would undertake the entire responsibility for the scheme of advertising for all nations. Uniformity of plans made by the co-operative efforts of national iron and steel industry boards, and by suggestions from the iron and steel industry agencies in different countries would contribute to a world wide campaign for bringing theknowledge of the industry in the best way before users and prospective buyers of products. The saving in such centralised advertising can hardly be over-estimated. Selling prices of products thereby could be reduced.

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Many other important functions would be exercised by the international board. It is only necessary to indicate them briefly, elaboration being unnecessary at this stage.

I. The complete regulation of the production and distribution of the products of the iron and steel industry.

2. The organisation of plans from all countries for carrying out the duties of the international board.

3. The determination and responsibility for all functions of committees, the duties of committees to include, :- (i) General administration (executive). (ii) General finance. (iii) International credits. (iv) Price fixing of products by classes, (a) works, (b) to buyers.

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(v) Works price adjustments to wages standards.

(vi) Selling price adjustment, currency fluctuations.

(vii) Fixing commission, merchants, brokers, etc.

(viii) Fixing dues, fines, insurances.

(ix) Quotas for national production by classes.

(x) Fixing standards, specifications for classes of products.

(xi) Fixing standards of quality, measures, weights.

(xii) Fixing standards for inspection.

(xiii) Fixing forms of contract etc.

(xiv) Educational campaign to unify operations in production.

(xv) Educational campaign to unify operations in distribution.

(xvi) Unification of assembling of statistics from all countries.

(xvii) Liason of scientific research.

(xviii) Clearing house committee for general information.

(xix) Determining bye-laws and legal matters.

(xx) Determining form of legislation necessary in each country to protect the interests of the industries and consumers.

(xxi) Settlement of disputes by arbitration.

These do not complete all the functions of the international board, for it would concern itself with social and humanitarian measures for all employees as well as matters covering investigation, scientific research, co-operation with other international industry boards, etc.

Later I show that the international iron and steel board would not disturb the present machinery of buying and selling of commodity exchanges but would co-operate

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with those now existing for the purchase and disposal of raw materials required by producers. Such co-operation would be arranged in each producing country through the national iron and steel industry boards.

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III

Having outlined my scheme and the machinery for its operation, I want to say something more about the position of the producer in each country. His concurrence must be sought and found before such a scheme could operate. I want to show that its successful operation will be more beneficial and less irksome to the private producer than under present conditions of production and distribution.

The position of iron and steel companies would be more secure; for, each effecient company would be assured of a definite and continuous share in the world's requirements. The price of the product would be assured and the measure of the profit would be a measure of the effecient management and plant of the private enterprises. Although there would be a measure of restriction on each producer according to quotas determined, there would be no restriction placed on the development of intention, research etc. All methods of labour saving would add also to the benefits of the producer.

Each company would be assisted, as at present, by advice and help from various technical associations. All of which would co-operate with the national iron and steel board. Thus the freest possible liberty would

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be allowed to each producer to make the best of his business, as a producer. The directors would be responsible to their shareholders as at present. The companies' finances would be in their hands.

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The greatest benefit arising to the producer by this scheme is deliverance from the responsibility of selling his product to any but one authority. In fact that authority would be the one customer of all the producers. The national board would therefore lift the entire responsibility of securing orders and the distribution of products off the shoulders of the producers.

What this would mean to the producer in saving of worry and vexatious wrangling, can hardly by estimated. No touting for work. No window dressing, no advertising of any kind, no agents. Just the full concentration on making the best products in the most effecient manner at the lowest possible price consistent with a decent living for employer, employed, and a fair profit to shareholders. Best of all there would be contentment because security of tenure to employer and employed would be assured.

The producer would be supplied with work up to the measure of his allotment and the worker would have no anxiety about the continuance of his employment. Then too, orders would be placed at prices which only effecient firms could make a net profit, - say of 10% - prices, which would give to ineffecient firms a spur to put

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their organisation in order or else fall behind in the competitive race.

I see no reason whatever why, in their own interests, all producers should not welcome the scheme as a real means of their salvation.

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It may be said that this sounds well for the effecient and well established producer, but what about the small producer who is struggling for an existence? Is he to be squeezed out by a powerful combination? My answer is - decidedly not. Every producer, however small, shall have the same right to produce at a profit or a loss at the standard price. There will be one producers' price for the same article, whether made by a struggling, small, or effeciently large producer. Today the small producer meets the big one in the world markets. He would be surer of obtaining orders under my plan than under the present competitive plan. My plan does not provide for ineffeciency. It stimulates the small or the large to greater effeciency. It does not squeeze out any but the hopelessly ineffecient. There will be the same freedom as at present among producers to combine if they so desire. There will be no interference with amalgamations. It will simply mean that quotas arranged by the national boards for companies A., B., and C., as separate units will, if they combine, be lumped as A + B + C for the amalgamation. The competition inspired in production will give to the small struggling unit

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more hope of development than under the present unregulated system.

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XV

Reasons for Immediate Action.

In my opening statement I indicated briefly some of the reasons for immediate action; here are several more, :-

I. All over the world, particularly in industrial countries, it is recognised that international co-operative action is imperative if the present world crisis is to be dealt with effectively. No nation alone can arrest the economic rot that has set in.

2. If there is any good at all in the situation it is that the world crisis is slowly producing an increased movement towards international action and is forcing upon humanity a consciousness that social reform and economic life are inseparably linked together.

3. That any international action to succeed must have an economic policy, not only inspired by social principles but built on them.

4. Unemployment is a social evil. It means that unemployed people who have no other means of livelihood than the use of what talents they possess are forced to waste their lives, degenerate their character, become an economic burden upon those employed, and a plague to themselves and to the nation.

5. The root cause of unemployment is that each nation

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is after its own selfish interest, regardless of whether its neighbour perishes or not. It is no matter in what country the producer may operate, if he dies, others cannot live. This principle has to be burned into the public mind, that the real bed-rock problem is that the producer must live if others are to live. No matter what causes the producer to go out of business, his departure means unemployment and a break up of the social structure.

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But the producer in Britain may cease to exist because of some action of another producer or distributer in a foreign country. It might be some action which was not intended to kill the British producer, but without knowledge and without international cooperation, it did so. The consumer also who buys the products does not willingly kill the producer. But he often does it without knowing. He rarely thinks of how the product reaches him. He is concerned about two things, quality and price. The consumer does not think that his own prosperity depends upon an economic price being paid to the producer for the products he buys. I do not wish to labour this point, but it is so vital to the whole question I feel I must examine it further.

Last year I was in the Okanagan Fruit Valley of British Columbia, where they have suffered for years because of ruthless competition between the growers and sellers of fruit. The government of British Columbia introduced legislation to protect the industry and a

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Committee of Direction was set up with an independent chairman, Mr. F.M.Black, and two other members, one representing growers and the other the shippers. Mr. Black, writing to me on my return, regarding the progress of his Committee's work, asks the question "Is it economically wise that reductions should be made to the consumer, which result in the destruction of an industry?" He gives a case where a reduction of 15 cents on the retail price of a two dollar box of apples was borne entirely by the grower. Although the reduction to the consumer was but 7½%, this meant 25% reduction on the grower's price of 60 cents. The charges for packing, railway transportation, and distributing agencies remained the same. This is generally the practice whether the price to the consumer fluctuates or not.

But who are the growers? They are the producers who give trade to the packers, the railways, and the army of distributers. Without the growers, not only would unemployment result in the orchards, but among the distributers. Mr. Black's question gets to the root of things. It means surely that the effecient producer must be protected from destruction in the national interest. But the question goes beyond national frontiers. World competition cannot be arrested by the parliamentary act of one government. If as a result of foreign competition, prices are so depressed as to destroy the industry, then unemployment must follow.

But that is actually happening at present all over

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the world. Campaigns urging thepurchase of home products are common and have had apparently good results. Something more definite is required. All exporting nations are improving their industrial and commercial methods for intensive competitive campaigns. The more effecient each nation becomes, the greater production per man results. Unless markets can absorb the increases, merciless competition must follow and greater unemployment.

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According to the economic publications of the League of Nations, the world production in I928 of food-stuffs and raw materials exceeded the production in I913 by 25%, whereas the population of the world during the same period increased only I0%.

An enquiry made in I927 by the U.S.A. Dept. of Labour, showed that in ten important industries, during the ten years following the outbreak of war, the output per individual had increased. In some industries the increase was very considerable. This is an inevitable progression.

In the boot and shoe industry the increased output per man was but 6% over ten years, whereas in the automobile industry it was 272%. In the former industry the method of making machine-made boots and shoes reached a high standard before the war, whereas mass production by machinery in the automobile industry during the ten years was phenomenal. But the U.S.A. does not stand alone. Nearly every industrial country has progressed

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in production, and some countries who were buyers in pre-war days now make their own requirements, and others not only supply themselves but have surpluses to export to others. Egypt which has been a buyer of steel is now being equipped at Port Said with a foundry to produce 30 tons of steel castings per week.

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It is but a sign of the times. It is all progress - not crisis. No one can deny the indisputable right of any nation to make her own requirements and export to others. The crisis has come because of the haphazardness of the progress which spells chaos.

It matters little what country of the world one turns to, there seems to be a policy aimed at, or pursued, of becoming a manufacturing nation, regardless of whether other nations are already equipped to supply the world's requirements. Thus new industrial areas have increased. It is stated that in Japan the capital invested in manufacturing companies increased almost sixfold between 1924 and 1927.

Argentine, which in 1914 imported 71,328 dozen pairs of boots and shoes, admitted only 1,716 dozen in 1927. Brazil reduced her imports of wool by half between 1914 and 1924. Cotton was reduced by two-thirds from 1922 to 1929, while the number of workers employed in the nation's cotton industry increased by one-third and the number of spindles by 50% between 1920 and 1926. In Chile the textile industry has increased. The capital

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invested in manufacturing industries rose from 133 million pesos in 1914 to 822 million in 1925, and 1,102 m million in 1928.

It is estimated that the motor car industry of the U.S.A. alone could produce 8 million cars per year, whereas the demand for the whole world is only six millions. Think of the car-producing capacities of other nations and of the insecurity of the workers who are dependent for their livelihood on this over-equipped and unregulated industry. The same applied, more or less, to other industries. No one can wonder at the present world crisis under such utter neglect of international co-operation.

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In the case of motor car production, as in every industry where production exceeds the demand, the question is bound to arise as to which producers shall continue. Some would naturally cease to exist if a state of affairs as indicated by the motor car industry of the United States continued. The question would give rise to much heart burning. Here it seems that effeciency and cost would have to be the deciding factors. The demand for types might alter the situation, but I cannot see that by international agreement the situation could be made worse but bettered, even although some nations had to reduce their production.

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If home producers for their home markets find it

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absolutely essential to combine by co-operative action to maintain a price for their products which will save their industries from destruction, it is equally important that international agreement should be reached which will prevent all industrial nations from destroying themselves. Surely the case for international regulation of production and distribution is established!

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Many instances could be given showing the movement of the nations towards industrial co-operation. Producers and distributers are reaching out their hands for complete international co-operation. All nations see that the world is moving irresistably in this direction.

Almost every week some new attempt is made to stem the force of unregulated production and that competition which is destroying employment.

The recent Amsterdam international conference on sugar production, the more recent conference of eleven wheat exporting countries, including U.S.A., and Soviet Russia, held at Canada House, London, May 1931, and even the most recent international combination of shipping companies to control the sailings of Atlantic liners all show the direction towards international agreement.

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While I see these and other great movements groping their way to international agreement, I see also a danger in such movements, if, on the other hand, they are merely controlled by governments, which at the best

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quench the fire of individual initiative, ex, on the other hand, by the selfish private interests which see nothing but big dividends. I cannot emphasis too strongly that the plan I have outlined saves industry from the dead hand of government and from the gambling speculators in private enterprise. But it does give co-operative private industry an opportunity of organising on a world scale for the benefit of all concerned.

In a recent letter I received from Sir Joseph Flavelle, Bart., Chairman of the Canadian Bank of Commerce and also of several other important finance interests in Canada, he recounts the failures of attempts by governments to assist in the disposal of commodities by directing the prices that buyers should pay for them. I quote from a copy of an address he delivered to the Canadian Credit Men's Trust Association Ltd., Royal York Hotel, June IIth, I93I, copy of which he enclosed with his letter.

He says, "The Brazilian Government, by Government purchase and storage of coffee, sought to direct the price that buyers would pay for this commodity. The British Government supported an organisation of producers of rubber within the British Empire. This association issued to buyers in all countries a statement, that sales would only be made at a minimum price of one and threepence per pound. Later, they advanced the price to one and sixpence per pound. The Government of Egypt sought to establish a higher price for Egyptian cotton, by buying and storing that country's production.

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Cuba endeavoured to bring into effect measures whereby sugar, a commodity of universal use, should have a higher price level.

The United States created and assumed responsibility for the operation of a Farm Relief Board, who in addition to other responsibilities, were charged with the duty of stabilising the price of wheat at a figure to be named by them.

Canada, with the support of three Provincial legislatures, formed wheat pools to take delivery of wheat from their members, store, ship, and dispose of it on the world markets.

A powerful, organised combination of producers of copper in the United States , notified buyers of this metal that the minimum price at which they would sell copper was 18 cents per pound.

All these movements failed in their objective, and some with such heavy losses and embarrassment that they could be relieved only by governments assuming their obligations.

Brazil's scheme for coffee was disastrous to the Republic.

England's effort in rubber resulted in humiliation, the price today is threepence farthing per pound.

Egypt. - A letter I received from Cairo this week reports cotton is at bottom price with few buyers, while the Government stock (some £50,000,000 worth) is hanging over the market like a cloud.

The price of sugar has recently been at the lowest

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point for all time.

The United States Government Farm Relief Board is said to have accumulated two hundred million bushels of wheat, bought with public moneys at a price so much above the present market that there will be a loss of scores of millions of dollars. They have now determined to abandon the further purchase of wheat.

They have further accumulated a great store of raw cotton at prices greatly in excess of present market value.

The Canadian Pools suffered a loss exceeding twenty-five million dollars on the disposal of the 1929 wheat taken from their members, for which the Governments of Manitoba, Saskatchewan, and Alberta, assumed responsibility, less the value of the Pool elevators, taken as security by the Governments. The loss upon the 1930 operations is not yet determined.

Copper has fallen to 5¼ cents per pound, the lowest price on record.

All these evidences failed through a common misunderstanding that they could be influenced in particular action on their own behalf, to control, or advance, or prevent the decline of world prices of the commodities in which they were interested."

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I have quoted Sir Joseph Flavelle at some length because the illustrations of failure he has given are what might have been expected. They support my

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argument that no nation can alone regulate production and distribution. The more this method is attempted, the more hopeless the results are. But I want to distinguish between commodities dealt with on commodity exchanges and the regulation of industry by international agreement. Sir Joseph, however, is dealing with commodities which form the raw materials for industries and which, as a rule, are bought and sold on the respective exchanges of each country.

C150666

It is no part of my plan to interfere with the present machinery of commodity exchanges but rather to co-operate with them as I have already indicated. I know also that variations in world prices of wheat and other grains, wool, cotton, rubber, sugar, coffee, metals, etc., would cause variations in world prices of products made from them. Such variations in the finished products are not of daily or even monthly movement, as may be seen in the price of the British loaf.

The recent very abnormal falls in the prices of wheat have made little stir in the selling price of bread. Adjustments in the prices of bread have been made from time to time during recent years, but as a rule the price of bread stands level for many months, while the prices of wheat are changing daily.

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In the plan I propose, any variation of prices of products made by the basic industry would be the business of the international industry boards. It is not now the

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function of commodity exchanges to fix prices of manufactured products such as I propose should be done by international industry boards. Wheat, wool, cotton, rubber, sugar, coffee, metals, are the raw materials of many industries, although, strictly speaking, some of them have passed through various processes of manufacture to reach the stage where they become the raw materials for basic industries.

The machinery of commodity exchanges for dealing with these materials have been been disturbed by the different influences of buying and selling organisations such as international rings, trusts, pools, and various trade combinations.

No such irregular effect would be produced by the national industry boards. The buying of raw materials required for their industries would be regular in d[illegible] and would promote a steadying effect on the prices. The variations in the prices of iron and steel products, for instance, due to variation on the commodity exchange of iron ores, etc., would not, under normal business procedure, require frequent adjustment. Thus the commodity exchanges and the national industry boards would assist one another and contribute to the successful working of international industry boards.

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I am quite aware that the pathway to complete international regulation of industry is full of difficulty. Had it not been for the wonderful work accomplished by

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the International Labour Office at Geneva during the past ten years, I would have despaired of submitting my proposals as possible of practical fulfilment. The way, however, has been paved by the International Labour Office for the consideration of such proposals. The fact that since its establishment international agreement has been reached on nearly every question affecting the hours, wages, conditions of workers, etc., on sea and land, is a witness to this fact. Not only has international agreement been reached at the conferences of the International Labour Office on such subjects, but the conventions and recommendations passed at the conferences, by representatives of the governments, employers, and the workers of over 40 nations, have, in over 400 cases, formed the subject of legislation in the different countries of the world.

What I suggest is the gradual movement to that complete enjoyment by all industries, of international co-operation. That is why I propose that the iron and steel industry, one of the great basic industries of the world, should be tried first.

In most countries employers and employed are well organised in this industry. The machinery already exists from which the international and national bodies could be assembled. All the vast experience of cartels international rings etc., in iron and steel production and distribution would be at the disposal of the industry. Such experience would help to decide what to avoid as

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well as what to include in building such an organisation as I propose.

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V

How to Start the Plan.

No plan can be put into practical operation without some definite lead from a great industrial country. Britain has pioneered in the past most of the progressive plans which have contributed to a better civilisation.

This is a matter affecting the life of the people of the nations. Unemployment is a public question. Insecurity of employment must inevitably produce insecurity of citizenship. There are different ways in which action might be taken. One way is for the British Government to invite representatives of the iron and steel associations of employers and of the confederation of iron and steel trades, to confer together with representatives of the Government to draw up a proposal for submission to corresponding representatives in the other iron and steel producing countries of the world with a view to international action.

As, however, the principles underlying the plan for the iron and steel industry are the same for other industries and as it would be to the common interest of the nations as a whole to apply the plan first to the iron and steel industry, I submit that the place where the matter should be fully discussed is the International

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Labour Office on the recommendation and leadership of the representatives from Britain. At the annual conference of that body the representatives of government, employers, and workers could consider the plan from every point of view and frame suitable conventions or recommendations for submission to their respective governments. Uniformity of legislation, as far as pertained to the applidation of the plan to each industrial nation, could thereby be more readily suggested.

All the contributions made by the economic committees of the Legaue of Nations and the vast accumulation of data by the economic and financial section of the Leggue would be invaluable in the assembly of facts to prove the fruitfulness of such a plan.

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Already the League of Nations, along its channels of economic research, has produced a widespread diffusion of knowledge which has enabled all countries to know what all are doing. This service continued, would help to make overlapping less likely; a broad understanding would be secured and unwise action seen to be unwise.

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I can but hope that immediate action may be taken.

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C150671

Hon Ian MacKenzie

When Bennett made his survey in Sept 1930 he found not a million but only 117.000 unemployed his statement is so recorded on the records of this house.

later on in his term of office there was a million:

Golding

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Hon Ian MacKenzie

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Jan. 19, 1934.

C150673

Mr. King.

As you know, the latest statement giving an estimate of the nos. unemployed is that of the Census 1931. It is impossible to get anything more recent, from the point of unemployment. It is possible to make a computation of the no. unemployed, by using the census estimates and the index nos. of employment as in the attached memo. Mr. Deachman agrees with this calculation, and says it is certainly fair enough, as it understates the case.

EAP

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unemployment

Numbers Unemployed [redacted]

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Census Estimate of Numbers Unemployed on June 1, 1931, - 392,809

Index of Employment on June 1, 1931, - 103.6

on Dec. 1, 1933, - 91.8

(Fb. 1 34 91.4)

Employment has decreased since 1931;

Unemployment has increased;

by multiplying the no. unemployed on June 1, 1931, by the index of employment June 1/31 and dividing their product by index no. Dec. 1, 1933

we should get an approximation of the numbers of unemployed on Dec. 1, 1933,

i.e. $\frac{392,809 \times 103.6}{91.8} = 443,300.$

445,200

However, following considerations should be taken into account:

1. "Since 1931, the number of co-operating firms has grown with a consequent increase in the proportion of the total population represented" by index number for Dec. 1933. (Bureau of Statistics Annual Review 1933). Therefore figure of 443,300 is understating rather than overstating amount of unemployment.

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2. This calculation assumes a stationary working population. The numbers of unemployed have been increased by many who, in ordinary times, would be working, i.e. boys and girls leaving schools and colleges. Strictly speaking allowance should be made for these, which would enlarge the figure of 443,300.

3. "The general figure of employment is influenced to some extent by public works undertaken for the relief of unemployment". (Bureau of Statistics Annual Review 1933). If allowance were made for this factor, the index no. for Dec. 1933 would be lower, and, as a result, the figure 443,300 would be higher.

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C150676

(WLMK)

[redacted] 1935 ??

Unemployment ✓Unemployment Policy
✓Working in Opposition
1930-35

It cannot be said that the Opposition has not given the Government a perfectly free hand in dealing with the problem of unemployment. Every opportunity was afforded the Administration to carry out the policies and measures it deemed necessary. As was its duty, the Liberal party in the House of Commons pointed out the obvious limitations of the Government's program, and deplored its failure to evolve any comprehensive system of relief. Opposition, however, to Government measures, was confined to one features: to the assumption by the Government, under the guise of relief legislation, of arbitrary powers to govern the country by order in council, and to have, without vote of Parliament, unlimited access to the public treasury. The peace, order and good government and the blank cheque features of relief legislation, in the past five years, have been vigorously and persistently opposed by the Liberal party, as creating in Canada a pernicious dictatorship, which has ignored the will of the people and neglected the needs of the unemployed, in whose name these extraordinary powers were wrested from the representatives of the people.

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What is the position of the Liberal party on this great issue? At the outset, it may be said that the party advocates, on the eve of a general election, the same policies and measures which it has contended should have been in force throughout the past five years.

In the first place, it recognizes that a solution of the unemployment problem must be sought in two directions: long range policies and permanent measures must be instituted to bring about a measure of prosperity, which will, of itself, reduce unemployment and afford the only lasting or satisfactory solution. In addition, however, for the desperate situation in which it finds itself today, emergency measures are also necessary.

Believing that expenditures for the purpose of relief, or for providing employment, cannot be continued indefinitely, and that only a revival of trade and industry will serve effectively to furnish employment, the Liberal party believes in the necessity of policies which will create trade and stimulate industry. Only by removing the restrictions which have throttled and strangled the removal of goods into and out of the country, and by regaining, through an exercise of good-will, those markets from which our

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blasting tactics have shut us out, can come a revival of business and a return to work for the men and women of our land. The Liberal party further believes that a general revival of business is impossible without stability of government. Confidence in the institutions of the government must precede recovery. Release from, rather than increase in, the burden of the cost of government; certainty in all matters of taxation; co-operation and good-will between the Administration and all parts and classes of the country, must also be achieved, if commerce and industry are to revive.

Even in times of prosperity, seasonal and sporadic unemployment are inseparable from the conduct of modern industry. The Liberal party, therefore, has advocated, as a further permanent measure, the establishment of an adequate national system of unemployment insurance. At the last session of parliament, Mr. Bennett finally introduced a measure relating to unemployment insurance. Had he, instead of waiting until the eleventh hour, proceeded to deal with this phase of the problem, one, two, or three years ago, there would be today a fund already in operation from which our workers would be entitled to draw benefits. As things are, however, the scheme has yet to be put into operation, and another year at least must elapse before it can play any part in relieving distress.

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The measure, moreove, like most of the so-called New Deal legislation, is of doubtful validity. It was not prepared with the co-operation of the provinces, and we do not know if the courts will uphold or reject it. The Liberal party, if returned to power, proposes to remove this doubt and to ascertain from the courts whether or not this legislation is valid. Should the courts reject it, an effort will be made forthwith to secure the friendly co-operation of the provinces in the preparation of such measures as will enable a sound system of unemployment insurance to be established and administered. Indeed, it will go further, and enlarge the scope of the scheme to embrace a proper system of social insurance generally, including old age pensions and national health insurance.

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Gll - Unemployment policy

THE UNEMPLOYMENT BASIS OF RELIEF.

C150680

The subject unemployment and relief, with special reference to Ontario, has been ably treated by Dr. Cassidy. As a summary of this work has been sent in separately by Professor Cudmore, it will not be necessary to refer to it further. The paper here submitted will confine itself to a description of and general observation on the incidence of employment and relief in the light of Dominion data, especially data which have been obtained since the publication of Dr. Cassidy's book.

The first task will be to describe as briefly as possible the exact situation of unemployment as revealed in the Census of 1931. In order to understand completely the definition of unemployment and to avoid a misunderstanding about the increase in unemployment since 1931, it will be necessary to show the composition of the population in reference to employment as on June 1, 1931.

- The Composition of the Population in reference to Employment - 1931 -

The population of 1931 was disposed as follows:

Total population of Canada, 10,376,786 - ~~5,374,511~~ 5,374,541 males; 5,002,245 females.

Under 15 years 3,281,218

Over 15 7,095,568 - 3,715,929 males; 3,379,639 females.

These over 15 are taken as the number concerned in the question of employment. From these we deduct the following:

Married females -- 1,937,458 --- 1,937,458 females

At school (over 15) ~~380,500~~ 385,500 - 196,161 males, 189,330 females.

In institutions (over 15) 63,095 - 38,355 males, 24,740 females.

This leaves a balance of the population liable to unemployment of 4,709,515 - 3,481,413 males, and 1,228,102 females.

The disposition of these in reference to employment was:

Wage-earners 2,546,731 - 2,001,609 males, 545,122 females.

Other gainfully employed ~~1,361,868~~ 1,361,858 - 1,245,426 males, 118,432 females.

In no category 600,926 - 236,378 males, 364,548 females.

The disposition of the above by age groups is shown in the following Table 1.

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TABLE I - Composition of the Population by Age-Groups and Employment Statistics - Census 1931.

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	Population	Married	At School	In Institutions	Balance of Population	Wage Earners	Other Gainfully Employed	In No Category	Wage-earners as per cent of population	Expected wage-earners from population of 1931 1932	1933
Total 15 and over	3,715,929		196,161	38,355	3,481,413	2,001,609	1,243,426	236,378	53.8	2,037,295	2,070,230
15 - 19	525,247		179,391	10,554	335,302	168,238	143,739	23,325	32.05	169,472	167,967
20 - 24	463,722		16,770	3,787	443,165	307,322	121,731	14,112	66.3	314,441	323,294
25 - 34	778,111		-	5,139	772,972	536,904	222,411	13,657	69.0	549,634	564,139
35 - 44	706,844		-	4,888	701,956	437,134	253,304	11,518	61.9	439,458	437,240
45 - 54	588,845		-	4,655	584,190	326,819	241,118	16,253	55.5	331,804	338,916
55 - 64	356,072		-	3,539	352,533	163,314	159,178	30,041	45.9	169,049	174,001
65 - 69	120,695		-	1,867	118,828	38,897	52,039	27,892	32.2	39,817	40,204
70 +	176,381		-	4,121	172,260	23,181	49,708	99,373	13.1	23,620	24,469
Under 15	1,658,612		Not relevant		1,658,612	16,525	-	1,642,087			
Total	5,374,541		196,161	38,355	5,140,025	2,018,134	1,243,426	1,878,465			

FEMALES

Total 15 and over	3,379,639	1,937,458	189,339	24,740	1,228,102	545,122	118,432	564,548	16.1	555,861	566,014
15 - 19	514,341	26,079	180,312	4,856	303,094	123,007	8,085	172,002	23.9	124,026	122,680
20 - 24	447,463	163,552	9,027	1,485	273,399	174,368	14,969	84,062	38.9	178,730	184,635
25 - 34	717,006	520,903	-	2,549	193,554	132,368	23,266	37,920	18.5	135,706	139,615
35 - 44	627,698	519,220	-	3,387	105,091	59,244	22,193	23,654	9.5	59,952	60,250
45 - 54	485,047	385,902	-	3,566	95,579	33,917	22,013	39,649	7.0	34,623	35,551
55 - 64	305,550	208,616	-	2,933	94,001	16,122	16,567	61,312	5.3	16,681	17,067
65 - 69	110,439	59,326	-	1,379	49,734	3,846	5,846	40,024	3.4	3,864	3,856
70 +	172,066	54,325	-	4,585	113,156	2,250	5,655	105,251	1.3	2,279	2,360
Under 15	1,622,606	-	Not relevant		1,622,606	2,545	-	1,620,061			
Total	5,002,245	1,937,458	189,339	24,740	2,850,708	547,667	118,432	2,184,609			

N.B. If the incomers from ages 14 in 1932 and 13 in 1933 are not added to the wage earners, the above figures should be reduced by -

33,695 for 1932 and 66,609 for 1933 - males
24,502 for 1932 and 48,359 for 1933 - females
58,197 114,968

Now the "no category" class is not altogether explained by farmers' sons working at home at no stated wage, nor by daughters living at home. It also includes persons of all ages, particularly over 70, some of whom are living on income. It probably also includes a number who cannot be connected with employment for various reasons such as physical or mental defectives outside institutions, derelicts of all kinds, etc.

The class for which the census reports unemployment is the wage-earning class, consisting of 27 per cent of the total population, 36 per cent of the population over 15, or 54 per cent of the population available for employment. It is a matter of opinion whether the balance should be considered in figures of unemployment, but the fact remains that the census definition of unemployment refers only to this wage-earning class. In making estimates of unemployment since the date of the census, we can not change this definition, not because of unbelief in the claims of the balance for consideration, but because no comparison with the data of the census year can be made if we do so. The male wage-earners were 53.8 per cent of the male population and the female wage-earners 16.1 per cent of the female population in 1931.

- The Condition of the Employed in 1931 -

On June 1, 1931, the wage-earners of Canada numbered 2,570,388 - 2,022,470 males and 547,918 females. Those actually at work on that day were 2,100,301 - 1,600,320 males and 499,981 females. This day is taken as representative of the number of persons at work and not at work at any one time. As a matter of fact the relative proportion was very nearly the same on that day as the average of the year which was 42.3 weeks out of the 52 or equivalent to ~~81.6~~ 81.3 per cent on an average working at one time. From the opposite point of view, ~~18.9~~ 18.7 per cent were not working on June 1.

The loss in earnings through this average of 10 weeks lost during the year 1930-31 is not so easily computed as it seems at first sight. It is not enough to say that if a person worked 42 weeks at $20 a week, he lost $200 because of the 10 weeks he lost, for he did not work these ten weeks, and we do not know what his earnings would have been if he had worked.

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We can only relate the earnings or the loss of earnings to the time worked by a scale of actual earnings for weeks actually worked. Such a scale for the year June 1, 1930-31 is given below. It is not built up from individuals but from averages based on 363 occupation groups standardised for the difference in rate of pay in different localities. A fundamental assumption in the following table is that the significance of a dollar earned in one locality is different from that of a dollar earned in another locality. Further, the figures are smoothed, as it is believed this gives a truer picture of the exact relationship between weeks worked during the year and yearly earnings, than unsmoothed data. It will be seen, therefore, that the figures in the following table will not necessarily correspond with figures compiled for individuals and in rough form.

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Table 2.- Average earnings of occupation groups in Canada according to weeks worked, 1931.

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Average Weeks Actually Worked	Actual Average Yearly Earnings (Smoothed)	Range of Yearly Earnings	Yearly Earnings if at labour wage 1/	Difference in actual average yearly earnings and earnings at labour wage	Average earnings per week worked	Number of wage-earners	No. of occupation groups represented
	$		$	$			
52	1,337	.924 - 2376 and over	857	480	25.71	19	1
51	1,294	990 - 2376 and over	840	454	25.38	8,876	10
50	1,253	924 - 2376 and over	824	429	25.05	7,420	9
49	1,211	858 - 2376	807	404	24.72	66,269	30
48	1,171	924 - 1848	791	380	24.39	59,173	26
47	1,131	792 - 1584	774	357	24.06	55,061	20
46	1,089	594 - 1584	758	331	23.68	63,661	19
45	1,046	594 - 1980	741	305	23.24	595,784	26
44	1,003	726 - 1716	725	278	22.80	40,433	23
43	961	660 - 1452	708	253	22.36	123,978	24
42	921	660 - 1320	692	229	21.92	44,112	25
41	880	528 - 1254	675	205	~~21.45~~ 21.46	54,314	14
40	837	594 - 1122	659	178	20.93	225,021	15
39	793	726 - 1188	642	151	20.33	28,031	15
38	752	594 - 1452	626	126	19.78	48,440	15
37	710	594 - 1188	609	101	19.18	10,384	17
36	669	462 - 990	593	76	18.57	15,325	13
35	627	462 - 1056	576	51	17.91	31,669	5
34	584	462 - 1122	560	24	17.19	171,159	6
33	542	under 396 - 924	543	1	16.43	142,436	7
32	500	" 396 - 792	527	- 27	15.62	19,653	9
31	~~456~~ 455	" 396 - 924	510	- 55	14.71	43,460	5
30	412	" 396 - 726	494	- 82	13.74	11,683	6
29	368	" 396 - 792	477	- 109	12.70	64,715	4
28	326	" 396 - 858	461	- 135	11.65	14,664	4
27 and under	285		444	- 169	10.65	2,458	15
					Total..	1,948,228	363

1/ Labour unit - 16.48.

C150685

It must again be emphasized that the above is a scale of averages. Thus the person who worked 52 weeks got on an average, $1,337, some getting more and some getting less. That those averages are very true may be seen from the table on page 5.

From this scale, it is clear that those who work a long period normally expect a higher rate of wage than those who work a short period, but that the difference diminishes rapidly after the number of weeks representative of common labour, viz. 33 weeks, is passed. A great deal of the difference is also due to age distribution, especially in the lower grades.

These expectations, no doubt, measure not only the comparative value of the work, but also the cost of living, for we are not dealing with favoured individuals but with averages and expectations. Thus a week lost by a person who expects to work 52 weeks is different from a week lost by one expecting to work 40 weeks, and unemployment is further complicated by this consideration.

From the above description it will be readily seen that the terms "unemployment" and "weeks lost" are not at all simple ones and and that the bare fact of having lost 10 weeks during the year does not convey a true idea of the extent of unemployment.

- Condition of 1931 as Compared with that of 1921 -

Although 1921 was probably not a very good year, still the question of relief was not then to the fore, and we are forced to refer to it because it was a census year. From the point of view of the bare difference between working and not working, June 1, 1921, had about 10 per cent not working, while June 1, 1931 had about 19 per cent not working, these two figures being nearly representative of the average for the year. Now it would seem that the comparative total earnings for the year are a better basis of comparison. In this case we can compare only six cities, as the remaining cities are not yet ready. Further, allowance should be made for the difference in the cost of living of the two years. Accordingly in the following

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table the 1921 earnings are quoted in 1931 dollars:

	Yearly Earnings. Male		Female	
	1921	1931	1921	1931
Vancouver	898	947	595	653
Winnipeg	1,126	1,119	619	627
Hamilton	943	1,023	482	610
Ottawa	1,108	1,376	567	761
Calgary	1,046	1,131	647	673
Saint John	795	997	418	541

The above deals with actual yearly earnings. The comparative rate of wages as measured by average weekly earnings would seem to be best indicated by giving the comparative earnings of male unskilled labourers in the age group of greatest earnings (35 - 44). These are given for nine cities as follows; the 1921 rates are given in 1931 dollars:

	Average Weekly Earnings	
	1921	1931
Montreal	$ 16.79	$ 18.26
Toronto	17.93	19.73
Vancouver	12.40	16.33
Winnipeg	18.02	17.26
Hamilton	17.63	19.38
Ottawa	16.72	17.83
Calgary	18.63	17.12
Regina	18.02	17.22
Saint John	13.80	17.21

In six out of the nine cities the weekly earnings were higher in 1931 than in 1921. Therefore, the time lost in 1931 as compared with 1921 can not be regarded as a sufficient criterion by which to compare the two years. The same is true of a comparison between different localities in the same year. An interesting illustration of this can be given for 1921. Thus, if we take the 15 principal cities in that year and arrange them in

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order of the weeks worked during the year from the highest to the lowest we have the following (1921 dollars used):

	Weeks worked	Earnings per week $
London	45.1	19.31
Regina	44.6	20.73
Quebec	44.5	16.77
Edmonton	44.2	19.06
Vancouver	43.6	15.57
Ottawa	43.4	19.04
Victoria	43.3	14.28
Halifax	43.0	17.60
Hamilton	42.4	19.77
Montreal	42.3	18.85
Winnipeg	42.0	20.80
Toronto	41.7	20.28
Calgary	40.9	21.22
Saint John	39.9	16.04
Windsor	38.9	23.50

By looking on each side of the middle city, Halifax, it is easy to see that in 1921 at least the rate of weekly earnings tended to be greater in the lower than in the upper half; i.e. the wages tended to be higher where the weeks worked were lower. Thus there was a compensatory element that prevented straight comparison between the 38.9 weeks worked in Windsor and the 45.1 weeks worked in London. Consequently it is unsafe to treat the number of weeks worked or lost as a foot rule of unemployment. A true comparison necessitates a laborious process of standardization which will only be partially attempted in this paper as it takes more time than is available.

A further comparison between 1921 and 1931 can be made from the comparative capacities of industries in the two years. The number employed at one time may be taken as a good figure for measuring this capacity.

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Between 1921 and 1931 the population of Canada increased less than 19 per cent but the capacity of industries increased 25 per cent. If the wage-earners had increased pro rata with the population, the per cent unemployed in 1931 would have been less than 3 per cent instead of the actual figure of 18.9 per cent. This consideration does not imply a mitigation of condition of the unemployed and is not intended to do so. It is mentioned merely for the purpose of showing that it was not contraction of industries alone that caused the unemployment of 1931.

If industries expanded faster than the population in the ten years and if the average yearly earnings were greater in 1931 than in ~~1931~~ 1921, why then were unemployment conditions so serious at the later date? A major cause is revealed by a study of what happened in the ten years.

- What happened between 1921 and 1931. -

Up till 1926 industries expanded irregularly, it is true, thus causing temporary unemployment, but on the whole, gradually. Meanwhile, the United States and other countries drew off the surplus wage-earner. The result was that 1926 was probably as normal a year as can be mentioned. That the surplus wage-earner was carried off is revealed not only in figures of emigration from Canada to the United States, but also in the 1926 Census figure of the prairie provinces, e.g. Alberta in the five years lost the great part of her natural increase. Imigration into Canada was also considerably and progressively slowed up. In 1926 the United States shut down on immigration. An abnormal expansion in industries in Canada took place. As the result does not seem to have been carefully explained heretofore, an attempt is made to do so as follows - estimated being used in the case of employment figures:

In 1926 the capacity of employment was 2,122,000. On June 1, 1921 it was 1,673,000, so that in the five years the capacity increased by 449,000 or 26.9 per cent or at a yearly rate of 4.8 per cent. Between June 1, 1921 and June 1, 1931, it increased from 1,673,000 to 2,100,000 or 427,000 or 25.5 per cent or a yearly average of 2.3 per cent. The ten year per cent was

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7 points more than the population, but the average was only half of what it was in the first five years. Between 1926 and June, 1929 it increased from 2,122,000 to 2,659,000; i.e. 537,000 in less than three years or a yearly average of 7.8 per cent. Thus, it will be seen that by 1931 industry was almost exactly the same as in 1926 in the face of an increase in population of about 10 per cent. This alone would have caused a certain amount of unemployment but as the employment conditions in 1926 were very nearly perfect, the contraction would have been scarcely felt. But between 1926 and 1929 industry expanded by 25 per cent and between 1929 and 1931 it contracted so as to bring it back almost to the same as it was in 1926, i.e. it drew 25 per cent into employment in less than three years and threw them out in less than three years. It is thus easily seen that the expansion between 1926 and 1929 had more to do with the actual size of the unemployment figure of 1931 than any other cause.

Meanwhile, it will be useful to see what effect this expansion had upon the population. Between 1921 and 1931, as before noted, the population grew less than 19 per cent; employment had expanded over 25 per cent, but the number of wage-earners; i.e. those liable to unemployment, increased 40 per cent. Now of the immigrant population of 1931 over 23 per cent arrived after 1926, while over 230,000 Canadians returned from the United States in 1926-31. When it is remembered that these arrivals (combined they number 716,000) were largely at working ages and that the total number of wage-earners employed in Canada in 1931 was only 2,100,000, an idea is given of the enormous proportions thus suddenly becoming wage-earners, especially when to these are added entrants for females and for "own account" classes. The 537,000 added to employment in the three years 1926-29 alone show that they could not possibly have been drafted from the ordinary wage-earning population, but must have been borrowed. However, it is almost demonstrable that all those who rushed in as a result of the expansion did not immediately secure jobs as well as all those coming of working age from the population.

The results of the enormous expansion, then, was that large numbers secured only a temporary hold on jobs, or caused old hands to lose a permanent hold on jobs, for the downward trend was so rapid that industries commenced immediately to disgorge. Thus the large unemployment of

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1931 was directly the result of the sudden expansion. The comparison of the progress of employment and of population in the ten years can be seen in the following chart. Both population and employment figures are only estimates, but very careful estimates.

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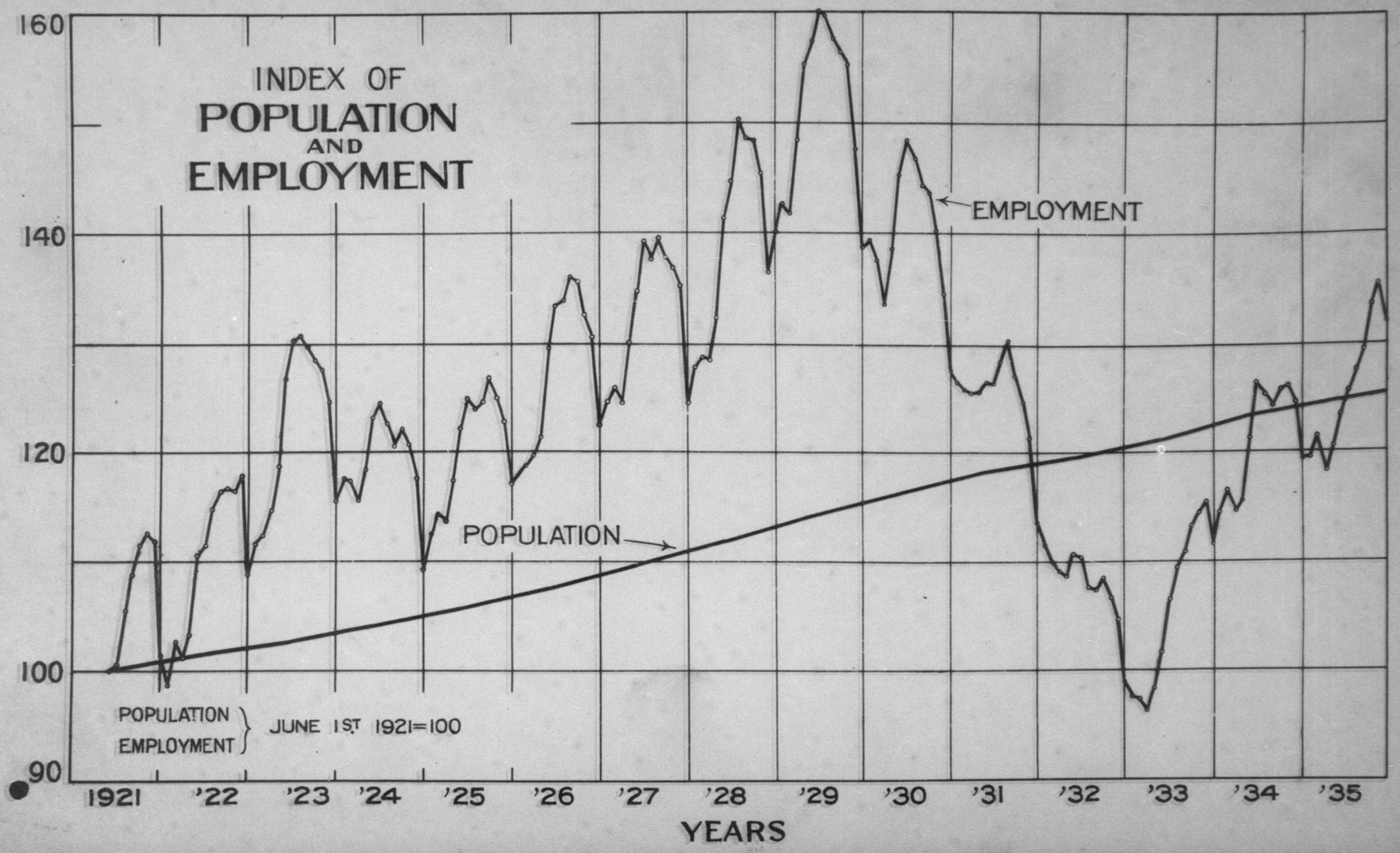

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It will be observed that in spite of seasonal dips, the employment index kept well above the population index until 1932. The trend shown is very faithful to the observations of even the casual obse ver. Even the point at which the employment index fell below that of population was what might be called ear-marked. However, the significant feature seems to be the fact that it was not the relationship between employment and population at any one point that counted, but the change in this relationship from one point to another, i.e. the difference in the height of the employment index. In other words unemployment is a difference between a high and low potential of employment, not a static condition of employment. We could not have a better illustration of this and few things are less clearly realized or understood. We speak of good and bad times, but these terms are emphatically relative. What causes unemployment is not only the change from good to bad times, but more emphatically first a sudden change from good to better times and a sudden backward change. Even when in this change we come back only as far as "good times" we have unemployment and distress.

- The immediate cause of the distress in 1931. -

It will be easy to see from the foregoing why the condition of 1931 was so much worse than that of 1921 in spite of the fact that employment in the ten years had gone ahead faster than the population, and that the average yearly earnings were greater in 1931. Psychology had a great deal to do with it, but this psychology is measurable. The average condition of the population in 1931 was better than in 1921, but that of individuals was much worse. The persons with aprecarious hold on employment lost it on the down turn and of course failed to regain it. This will be made very clear when we add another fact about employment in 1931. Although the proportion of wage-earners employed throughout the year was less in 1931 than in 1921, the proportion working the whole year or 52 weeks was about the same. It will be easy to see that this made a tremendous difference in the plight of the remainder. If we have a thousand working 52 weeks and another thousand working one week this means that 2,000 worked 53,000 weeks or an average of 26.5 weeks in the year. Now if the employment is lower so

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that they average only 26 weeks, and the 1,000 still work 52 weeks, then the remainder are idle throughout the year. In 1921 there was a very normal gradation between those who worked 52 weeks and those who worked only 1 week; in 1931 there was no such gradation, so that several thousands worked no weeks at all. From the point of view of averages, 1931 was as good as 1921, but from the point of view of individuals it was very much worse. Those with a precarious hold on employment, or their equivalent in old hands, lost out through the depression from 1929, not from the absolute contraction in employment. To this was added the psychology of increasing expenditure and want of foresight in times of sudden prosperity, so that probably the average did not provide for the sudden depression. It was the suddenness that counted most, not the absolute contraction since 1921.

Now it will be easy to see what would happen when employment in 1931 instead of taking an upward turn continued to contract. This will be best illustrated by the figures of relief in comparison with unemployment. The data on direct relief can not be carried back to 1931 owing to want of definiteness as between direct relief and other schemes, so that the comparison can be traced back only to May, 1932.

- Relief in relation to Unemployment -

The following table shows the figures of relief, especially direct relief since May, 1932 in relation to unemployment.

TABLE 3.

	No. of persons on direct relief	No. of persons employed	No. of persons unemployed	P.C. of wage-earners unemployed	Persons on relief employment
May, 1932	596,946	1,808,873	662,265	26.8	65,517
June	623,520	1,842,496	647,363	26.0	73,020
July	696,757	1,833,868	651,048	26.2	24,166
August	732,300	1,791,481	679,527	27.5	21,965
September	794,761	1,786,799	681,155	27.6	19,032
October	871,344	1,801,021	676,312	27.3	21,612
November	1,118,236	1,768,055	697,852	28.3	46,624
December	1,243,366	1,737,176	713,002	29.1	55,323
January, 1933	1,366,306	1,644,454	759,719	31.6	63,486
February	1,395,961	1,617,568	775,284	32.4	69,748
March		1,615,461	777,815	32.5	
April	1,522,576	1,597,171	783,114	32.9	
May	1,348,160	1,631,119	771,118	32.1	
June	1,137,205	1,690,719	738,475	30.4	
July	1,051,461	1,762,567	699,119	28.4	
August	987,177	1,816,743	671,946	27.0	
September	999,495	1,843,306	657,788	26.3	
October	-	1,879,351	636,514	25.3	

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It will be seen that there is a very high correlation between the increase in the number on direct relief and the number unemployed, so that so far as reliance can be placed on a period as short as sixteen months, the results shown can be mentioned with some confidence. The relief figures travel on an average nearly 6 (5.7) times as fast as the unemployment figures; i.e. an increase of 6 persons on relief for every one person added to unemployment. Now there were about four or five dependents for every head of family receiving relief also some of those receiving relief were from "own account", but this does not explain all of the 6 to 1 ratio just mentioned. The explanation of the remainder is quite obvious from the figures, and has to do with the continuity of both unemployment and relief. Thus, in May, 1932, with 662,000 unemployed there were 597,000 on relief, while in September, 1933 with about the same number unemployed there were 999,000 on relief. There was a minimum figure of unemployment - about 450,000 according to the trend shown in the table - before relief started, and once started this minimum was liable to relief as well as the additions to the unemployed. This is, of course, in agreement with observed facts. Either because direct relief did not begin to be given until the matter was most urgent, or because persons did not apply for relief until their condition was desperate, this minimum was allowed to accumulate, and of course, their condition became worse with continued unemployment than the condition of the newly unemployed. Thus, there is nothing in the relationships seen in large numbers, which of course, are the relationships of averages, which indicates that relief was given beyond necessity. Such might have happened in individual cases, also relief might have been witheld in deserving individual cases, but on the average there was a remarkable consistency in the pace which relief maintained with unemployment. An almost equal consistency was shown between the drop in relief and the drop in unemployment once the tide turned in April, 1933. Thus, between that date and August, unemployment dropped 111,168 and relief dropped 535,399 or about 5 to 1. It was not to be expected that relief would drop with unemployment at the same pace as it

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increased, but the pace was maintained remarkably well. Some disturbance of the trend just mentioned was caused by relief work going on at the same time as direct relief. As between May, 1932 and February, 1933, with the same numbers on relief work, there was an increase of 113,019 in unemployed and 799,015 in direct relief or 7 to 1, while as between September, 1932, and February, 1933, there was an increase of 94,129 in unemployment, of 50,000 on relief work, but of 601,200 on direct relief, or a slightly smaller ratio. Now the way this last set of figures can be read is that there was a 144,000 increase in unemployed (94,000 + 50,000) and that there was a 651,000 increase in relief (601,000 + 50,000), so that the ratio between the increase in relief and in unemployment is considerably less than 5 to 1. It is very difficult to interpret this disturbance. There are two alternative suppositions: that the cost of relief work necessitated a disproportionate cut in the direct relief; or that relief work decreased the necessity for direct relief out of proportion to the numbers set to work. The first alternative would seem to be the more probable of the two.

The moral of all the foregoing facts about relief and unemployment is that averages and large numbers give too beautiful a consistency to be trusted in anything that concerns the individual; they are useful only for general conclusions. Thus, there is no doubt that relief and unemployment have kept pace, and this is an argument for the broad necessity for relief; and the inevitableness of relief when unemployment assumes large proportions. Beyond this, conclusions are not safe. Thus, we can not say whether relief kept the <u>right</u> pace with unemployment. To ascertain this it would be necessary to go into a large array of cases, not averages.

The most serious aspect of the figures of unemployment and relief is the appalling rate at which relief increases with continued increase in unemployment. It is worth while considering the picture of an increase of six on relief for every one increase in unemployment. If it were possible to imagine unemployment continuing until it had reached 2,344,000, then according to the measured trend, every man, woman and child in Canada would be on relief. Of course, this would be impossible from

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the fact that there would be no one left to pay for this relief. If, however, unemployment were to increase to 1,440,000, then half the population of Canada would be on relief. As it was, unemployment in April, 1933, reached around 783,000 and relief reached 1,523,000 or over a seventh of the population. Whereas, in May, 1932 it was about one-seventeenth of the population. It is clear that there would be a complete collapse once half the population were on relief, unless each remaining person had twice his needs. It is clear that a very grave danger point would be reached if a quarter of the population were on relief, but this would mean only a million unemployed. Thus, on April, 1933, the remaining six-sevenths of the population were carrying their own burdens and a sixth more.

The Supporting Population.

It will now be necessary to turn to the other side of the question -- that of the supporting population. In April, 1933, about one-seventh of the total population were on relief, leaving six-sevenths to share the burden. Now it has been seen that the fact that the yearly earnings in 1931 were greater on the average than in 1921, in spite of the time lost for work, did not seem to mitigate the necessity of relief in 1931, while there was no problem of relief in 1921. This was considered as inevitable from the fact that those who received their yearly earnings the first half of the year could not be expected to foresee the continued increase in unemployment, and therefore, made no or insufficient provision. If this is true of the unemployed why expect a greater amount of foresight on the part of the employed? The six-sevenths who do the supporting have to support themselves and a sixth more and this is equivalent to one-sixth of a year's unemployment on their part. The per cent unemployed on June 1, 1931 was 16 or a little over a sixth of the wage-earners, but here we have those actually not on relief having to give one-sixth of their time to relief, or the equivalent of two months in the year. Unless they are a

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very select part of the population from the point of view of the gift of foresight, how can they be expected to keep this up? Further, reduction in wages among this group in some cases amounts to the equivalent of another month or two of loss. It is easy to see the cumulative effect. If the person who earns $800 the first half of the year and is idle the next half has to go on relief, because he has not provided against this half, how can another person who works the whole year at $800 be expected to give for the relief of the first? Now this is not an imaginary case, though the figures may not be as mentioned. A table is given below which shows the distribution of earnings according to weeks worked by occupation groups in 1931, representing 363 occupation groups also every week from 26 to 52. If we take a year of unskilled labour as a unit, or $858, we find that 531,614 male wage-earners received less than this in 1931. Of these, 83 worked 46 weeks, 7,274 worked 45 weeks, or probably more than the average number of weeks worked in a normal year. On the other hand, of those who received more than this amount ($858), 482 worked only 30 weeks, 4,524 worked 31 weeks, while 8,687 worked 36 weeks or less. The groups mentioned who worked 45 weeks or more received on an average $812, while the 8,687 working 36 weeks or less received on an average $~~989~~ 969. Those who received the $812 would not be considered in any sense among the unemployed, while those who received the $969 lost 16 weeks or had 31 per cent unemployment or about as much unemployment as the average wage-earner had in the lowest month, viz. April, 1933. Now the 7,300 who worked a normal year, without doubt were paying relief either directly or indirectly, while those who received the $912 could be considered proper subjects for relief if they applied for it. This is one of the monstrous situations that a system of relief is apt to create, and it is impossible to regulate it. To have resources for relief we have to rely upon the prudence and foresight of one portion of the population; but to admit the necessity for relief we have to accept or condone want of foresight on the part of another portion.

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TABLE 4. - Average yearly earnings of occupation in groups according to number of weeks work of wage-earners in Canada - Census 193[illegible]

Earnings interval Interval = $ 66.	Number of persons represented by weeks worked.													
	26 and under	27	28	29	30	31	32	33	34	35	36	37	38	39
$														
2376	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2310	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2244	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2178	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2112	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1980	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1914	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1848	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1782	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1716	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1650	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1584	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1518	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1452	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1386	-	-	-	-	-	-	-	-	-	-	-	510	-	-
1320	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1254	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1188	-	-	-	-	-	-	-	-	-	-	-	304	-	-
1122	-	-	-	-	-	-	-	-	-	-	234	554	459	-
1056	-	-	-	-	-	-	-	29	-	-	641	731	485	1,103
990	-	-	-	-	-	-	-	358	583	-	-	1,765	8,221	1,671
924	-	-	-	-	-	-	-	-	-	480	133	502	1,740	14,930
858	-	-	-	-	482	-	4,524	-	78	146	999	395	7,826	5,943
792	270	252	-	-	7,999	-	4,734	2,136	184	-	12,463	425	28,847	-
726	420	29	6,284	-	60	10,328	767	1,542	20,923	10,028	840	65	862	501
660	1,020	-	5,474	10	2,870	-	2,384	14	-	1,134	-	-	-	-
594	318	-	2,906	188	-	-	7,044	-	-	-	15	5,133	-	3,683
528	20	-	-	-	-	-	-	-	-	-	-	-	-	-
462	-	-	-	39,197	272	15,983	-	138,357	149,391	19,911	-	-	-	-
396	101	-	-	25,320	-	17,149	-	-	-	-	-	-	-	-
Under 396	28	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	2,177	281	14,664	64,715	11,683	43,460	19,653	142,436	171,159	31,699	15,325	110,384	48,440	28,031
No. of occupation groups represented	13	2	4	4	6	5	9	7	6	5	13	17	15	15

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TABLE 4. - Average yearly earnings of occupation in groups according to number of weeks work of wage earners in Canada - Census of 1931

Earnings Interval - $ 66.	Number of persons represented by weeks worked.													Number of occupation groups
	40	41	42	43	44	45	46	47	48	49	50	51	52	Total	
$															
2376	-	-	-	-	-	-	318	-	-	1,242	340	177	19	2,096	8
2310	-	-	-	-	-	-	-	-	687	390	-	-	-	1,077	2
2244	-	-	-	-	-	-	-	-	1,157	-	-	-	-	1,157	2
2178	-	-	-	-	-	-	-	-	-	2,952	-	-	-	2,952	1
2112	-	-	-	-	-	-	-	-	122	-	-	-	-	122	1
2046	-	-	-	-	-	-	-	-	-	350	1,832	-	-	2,182	2
1980	-	-	-	-	-	-	-	-	1,787	838	-	-	-	2,625	3
1914	-	-	-	-	-	714	-	-	-	-	-	5,055	-	5,769	2
1848	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1782	-	-	-	-	-	-	-	289	275	139	-	-	-	703	5
1716	-	-	-	-	-	459	-	408	-	-	1,391	-	-	2,258	3
1650	-	-	-	-	-	-	-	-	-	279	-	10	-	558	4
1584	-	-	-	-	-	-	-	-	-	63	-	-	-	797	3
1518	-	-	-	-	-	472	-	262	-	-	-	-	-	7,084	8
1452	-	-	-	-	-	-	898	1,384	689	3,692	-	-	-	5,801	10
1386	-	-	-	-	-	421	837	-	920	-	2,151	24	-	11,661	12
1320	-	-	-	-	-	733	2,347	4,155	-	2,345	1,692	262	-	16,202	11
1254	-	-	-	-	-	1,136	4,939	1,957	-	3,983	-	2	-	25,899	17
1188	-	-	-	-	-	-	2,856	-	769	17,906	-	-	-	33,145	20
1122	-	-	-	-	-	1,872	5,479	29	11,112	340	-	442	-	299,959	20
1056	-	-	-	-	-	531	5,546	16,184	40,690	27,253	-	2,713	-	513,565	29
990	-	-	-	-	-	9,434	38,169	1,610	890	38	-	23	-	22,974	22
924	-	-	-	-	-	7,172	108	160	84	-	14	-	-	244,817	29
858	-	-	-	-	-	199,148	147	28,623	-	4,459	-	168	-	128,125	38
792	-	-	-	-	-	48	1,934	-	91	-	-	-	-	85,086	29
726	-	-	-	-	-	358,085	83	-	-	-	-	-	-	83,067	35
660	-	-	-	-	-	8,561	-	-	-	-	-	-	-	18,548	16
594	-	-	-	-	-	2,367	-	-	-	-	-	-	-	22,448	13
528	-	-	-	-	-	8,508	-	-	-	-	-	-	-	1,842	2
462	-	-	-	-	-	9,737	-	-	-	-	-	-	-	363,111	8
396	-	-	-	-	-	4,249	-	-	-	-	-	-	-	42,570	4
Under 396	-	-	-	-	-	-	-	-	-	-	-	-	-	28	4
Total	225,021	54,314	44,112	123,978	40,433	595,784	63,661	55,061	59,173	66,269	7,420	8,876	19	1,948,228	
No. of occupation groups represented.	15	14	25	24	23	26	19	20	26	30	9	10	1		Total 363

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From this and some reasons yet to be mentioned, the necessity for relief creates an impossible situation, to be avoided if possible like other great national calamities such as wars and plagues. The logical tendency of relief is national starvation.

Besides the foregoing reason, certain other evils concomitant to relief will now be mentioned. There are some so obvious that they need only passing mention, e.g., the lowering of the morale of those who receive the relief, the difficulties in the way of a proper distribution of relief and a tendency to create an army of parasites. One other reason is not quite so obvious so that it has to be given in some detail. It tends to prevent proper mobility and distribution on the part of the worker and population. Thus it is a fact that the cities which increased the fastest between 1921 and 1931 tended to be those with the greatest unemployment in 1931. This is consistent with the principle that the unemployment was largely a direct result of the huge activity of 1927-29. Under past conditions this surplus population would have emigrated on the depressions; under a system of relief they remained. The evil tendency of this sort of thing is at once apparent; not only does the recipient become inactive, but the burden is thrown upon certain localities, not evenly distributed over the country.

SUMMARY

From the foregoing data the unemployment situation in 1931 and since, and the major reasons why it created a drastic relief problem may be summarized as follows:

1. As compared with 1921, the unemployment of 1931 was not caused by contraction of employment. Its main causes were: the transfer into the wage-earning class of excessive numbers who formerly were in "working on own account"; arrivals at wage-earning ages from abroad, including returned Canadians; females entering the wage-earning class; the closing down on emigration from Canada by the United States and, of course, discouragement to emigration by world conditions. Formerly the unemployed would have largely emigrated. A similar impasse was imminent in 1914, but prevented from coming to a head by the Great War.

2. While employment per person looking for jobs thus decreased, because of abnormal numbers in the wage-earning class, the proportion of all

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workers working full time (52 weeks) remained about the same as in 1921. It is easy to see from this that the condition of the remainder was worse than what can be conceived from the drop in an index of employment. Either the entrants into employment in the interval, or their equivalent in old hands became hangers-on, depending upon casual or short time jobs.

3. The conditions as thus described had an immediate cause which is present in times of prosperity as well as depression. Had the numbers entering the ranks of wage-earners, as afore-mentioned, increased gradually in the ten years the situation would have been quite different. As a matter of fact there seemed to be a gradual decrease in the entrants up till 1926, at which point the employment situation in Canada seemed to be more normal than at any point in the ten year interval. Between 1921 and 1926, Canada - at least the Prairie Provinces - did not hold more than a portion of their natural increase. From 1927 to 1929 there was a mad inward rush, as indicated by the population of 1931 who had arrived since 1926 and by the yearly figures of returning Canadians.

4. From (3) it will be manifest that when we talk of "depression" we do not mean a general simple condition as compared with some other distant date that can be measured by the economic status as compared with that date. Thus comparing 1931 with 1881 from the point of view of world conditions or the actual "buying power" etc. of these two exact dates thrown no light on unemployment. "Depression" is a <u>difference in potential</u> between two dates not far apart. The depression of 1930 was a difference in potential between 1930 and 1927-29. If the capacity of the industries per person in the population had been four or five times as great in 1931 as in 1921 we would still have the problem of unemployment and relief, so long as it was less than in 1929. This principle is most important as indicating - perhaps demonstrating - that we have the problem of unemployment always with us, unless the impossible is accomplished by controlling the movements of population and the pace of industries so that they will go on at an even pace. The occasion for relief does not depend upon how far we are above sea level, but the difference between the bottom of a valley and the top of a neighbouring peak. Since "booms" are received with open arms, we are never free from the danger of relief on a large scale.

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5. The difference between the unemployment subsequent to 1930 and seasonal unemployment is vital. In seasonal unemployment the person has periodic spells of work and idleness, looks for them, and governs his expenditure accordingly; the continual contraction of employment prevents the recurrence of the working spells. There was seasonal unemployment at the peak of the 1927-29 prosperity. In discussing loss of work through seasonal unemployment it is pertinent to compare the yearly earnings of any 1921 and 1931. Even if more weeks were lost in 1931, so long as the earnings were as great or greater in that year than there was no pity due to the person, if his weeks lost were solely due to greater seasonal unemployment. The situation created by the continued depression was different from this. The person who worked the first half of the year and earned more in that year than in 1921 had no work at all the second half, nor the first part of the next. Unless he was perfectly prudent and had more foresight into business conditions than most business firms, he could not control his expenditure during that first half to provide for the second half. Consequently the fact that he earned as much as or more than in 1921 means next to nothing. In seasonal employment he would have fat and lean months, but employment was likely to come back before starvation ensued. It is different with continued depression. It is easy to see that such a condition could be created even at times of general prosperity in the case of a boom in any one industry, say building construction.

6. The menace of unemployment is always present, since unemployment does not depend upon a condition of industries at any one date, but on a potential between that date and one in the near past. Thus unemployment in a certain year is relative to the height of prosperity before that year and the higher that prosperity the greater the unemployment, even if the capacity of employment might be considered "normal" in that year.

7. Relief as a consequence of continued unemployment and an accelerated rate of relief with continuity of unemployment is inevitable, since it has been shown that the initiation of relief presupposes a minimum of unemployment after which the two keep a most consistent pace.

8. Unemployment and relief are not mitigated by the total earnings during the year in contradistinction to the time lost from work. Thus the average yearly earnings in 1931 were greater than in 1921 when converted to 1931 dollars, and yet 1931 was considered a very bad year for unemployment. This is without reflection on the individual for improvidence, for the individual cannot be

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expected to be conversant with business conditions, nor to see a year ahead what the specialist in business cannot see a week ahead. The situation must be accepted.

9. Even if other data and proofs were not available, the foregoing would go almost as far as a demonstration of the relative responsibilities of the four bodies usually mentioned in connection with relief and unemployment insurance, viz. the state, the employer, the employed and others including municipal organizations, churches and benevolent institutions.

In the first place there is an average amount of unemployment which is due neither to expansion nor contraction of industries, but chiefly due to such matters as sickness, seasonal unemployment and the time elapsing between the availability of persons for employment (through coming of age or arrival in the country) and other engagements. This is clearly the responsibility of the nation, since no industry can control the seasons nor sickness and only the state has power to admit persons to the country. The amount of unemployment due to this "average" source apart from that covered by the chronic unemployable is about 10 per cent of the wage-earners day in and day out, or about one and one-third months in the year.

In the second place there is an element of unemployment due to the sudden expansion of industries. It has been definitely shown that the employment situation so far as it had proceeded by June 1, 1931 was largely due to this cause. The extent to which unemployment is caused by this sudden expansion would seem to be the responsibility of employers, for if they take on persons whom they need only for a short time, and in so doing import them either from foreign countries, from younger ages or from "own accounts" they have no right to dump them back on the country without further responsibility.

The unemployment caused by a continued contraction of industry is clearly not the fault of the nation nor of employers, but of general economic conditions or world conditions over which no one nation has control. This is clearly the responsibility of the individual as a citizen of the world.

The unemployment of chronic unemployables is the responsibility of bodies who accept these as necessary evils or even providential foils to the smugness of the self-sufficient, viz. churches, charitable institutions and municipalities.

It is contended here that the relative responsibilities of these various bodies are measurable, although exact measurement is considered as uncalled for in this paper.

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[redacted]
Confidential
January 1935

THE MAJOR PROBLEM - UNEMPLOYMENT C150704

The vital proposal in this draft scheme is to pay a national dividend to enfranchised Canadian citizens 50 years of age or over, who will voluntarily retire from the labor market, from a national credit fund without borrowing or taxing.

Because of the human element involved, unemployment is beyond question Canada's greatest problem today. Through the needs of a son, a daughter, a brother, a sister, or some other relative or friend, it probably enters in some form every Canadian home, no matter what its social status. Its lack of solution is a constant challenge to statesmanship.

Unemployment is not, as most of us think, a question that arose only in 1930 when the depression began. During the so-called prosperous years from 1925 to 1929 unemployment in Canada, as in the rest of the world, was steadily mounting, and it is estimated that at the end of June 1928 there were approximately 146,000 people in Canada without employment. This excludes the indigent poor looked after in homes and institutions of various kinds and amounting to approximately 100,000 people. There would seem to have been then approximately 150,000 people in 1928 able and willing to work but quite unable to find employment. In addition to this there were approximately 150,000 only seasonably employed and for the balance of the year carried over by municipal and private charity.

In 1930 when the depression began there was stated to be approximately 200,000 to 225,000 unemployed in Canada, and unemployment was then first forced upon the attention of everybody. This was particularly in the public mind because of the election in June 1930. Mr.R.B.Bennett at Calgary on June 12th, 1930 made this statement:

> "I am convinced that unemployment has now ceased to be local and provincial and has become national in its importance. This is a new country and there is no excuse for unemployment if a government does its duty. I will not

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"permit this country with my voice or vote ever to become committed to the dole system. I will not permit those to share in any benefits that may accrue unless they are willing to work and my duty is to provide them with work to do. There are great national works that may be undertaken in times of stress and strain. They will be taken and I promise that Parliament shall formulate a definite plan of permanent relief and that Parliament shall deal with this national problem and provide amelioration in order that next winter the Canadian people may not be facing the crisis that is upon us without having a remedy on hand."

At Victoria on June 17th he again emphasised the problem as follows:

"You have my promise that as soon as the Conservative Party is returned to power, that as soon after July 28th as possible, Parliament will be called together to deal with the problem of unemployment by providing not doles but work. Is there any excuse for Canada to have hard times if the government is discharging its duties as it should?"

At Moncton on July 10th Mr. Bennett again made this positive declaration:

"Mr. King promises you conferences. I promise you action. He promises consideration of the problem of unemployment; I promise to end unemployment. Which plan do you like?"

From these quotations it will be seen that Mr. Bennett was fully seized with the gravity of the situation. Judged from his other election speeches he seems to have had in mind raising the tariff to such heights that imports would be practically shut out of the country, then the unemployed would be necessary to manufacture those articles that were previously imported. He acted promptly in this direction, and calling Parliament together at the earliest opportunity he raised the tariff to such an extent that imports were immediately drastically reduced; but unfortunately the shutting out of imports had the unexpected effect—from Mr. Bennett's point of view—of shutting in our very necessary exports. The result of this attempt to cure unemployment so curtailed railway traffic and other businesses throughout the country that unemployment grew rapidly.

Judged by Mr. Bennett's five-year record that would seem to have been his only attempt to cure unemployment, and that having failed, he allowed things to drift until the approach of this election.

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On the 22nd of December 1934 a statement was released for publication by the Canadian Council on Child and Family Welfare, Ottawa. That statement included the following:

The Challenge Still Arresting

> "With all that there is of encouragement in a picture that, for four years, has stood in almost unrelieved darkness, there are still certain incontrovertible challenges - at least 200,000 heads of families, probably more, are still receiving unemployment relief; and over 20,000 able bodied employable men are in relief camps, with perhaps 25,000 to 30,000 men temporarily engaged in relief works.
>
> "There are probably 25,000 more single or homeless men idle in their own communities. There are an unascertained number, at least not less than 200,000 youths and girls from, say, sixteen to twenty-four or twenty-five years of age, who are idle, unemployed, and receiving relief either in their own homes, or as single persons.
>
> * * * *
>
> "Agency after agency reports the problem of hordes of young graduates of the business and technical schools, and of the colleges and universities, unplaced, idle, drifting to dependency."

From this statement, there are not less than 475,000 still unemployed, after Mr. Bennett's five-year old promise to see that everyone who can and will work will be employed.

This is an intolerable condition which it is believed the majority of Canadians are willing to end immediately, no matter what the financial cost,—if our political leaders advocate a practical plan to do so.

With the approach of another election, however, Mr. Bennett still stands by his promise to cure unemployment. He states:

> "What is the best test which we can apply to determine whether or not this system, which we have all supported so steadfastly, is really operating with 100 per cent efficiency?
>
> "The best test we can apply is the test of employment. Behold the sad and idle multitudes throughout the world. If the system is functioning as it should, why are there so many unemployed?
>
> "We are told that machine labor has replaced manual labor. In a sense there may be some truth in that statement. But certainly it does not begin to answer the question to my satisfaction. The real answer is that there is something wrong with the system and the real duty of the Government is to find out what the trouble is in Canada, and to correct it."

It is beginning to dawn on Mr. Bennett after five years of futile effort to heal unemployment that perhaps the machine is

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in part to blame for the unemployment that is overtaking the world, but he still offers no solution (only, it is suspected, because he knows of none) though apparently he promises to keep on promising to cure it.

Science and Invention

In the opinion of this study group there is no solution for unemployment on the lines explored by Mr. Bennett. Science and invention have so improved, and are still continuing to improve, on production processes that many men and women are permanently displaced by machines. It is gradually being borne into human consciousness, also, that machines displacing manual labor distribute no purchasing power; and men and women displaced by these improvements in machines and production processes generally, also receive no purchasing power to buy the increased output of new machine power, hence it follows that we have slack times in factories and on farms, and a glut of goods on the market, for lack of purchasing power.

A very voluminous list of recently invented machines could be compiled that are surely permanently displacing men and women from manual labor, and just as surely taking off the market necessary purchasing power for the buying of the increased production made possible by scientific progress, but the following list will perhaps be sufficient to carry conviction of the truth of the above statement.

1. A road-making plant can do the work of 600 laborers.
2. A man with a machine turns out 9000 times as many electric light bulbs as he did in 1914. A machine for making electric light bulbs has replaced 10,000 men.
3. A girl with a machine can make 60,000 razor-blades a day.
4. A bolt-making machine operated by a man and a boy does the work formerly done by 6000 hands and saves $85,000. a week in wages.
5. A mechanical planter, which sets and waters plants at the rate of 12,000 an hour, is being used at Sprowston, near Norwich (Eng.), for planting cabbages, celery and strawberries. In the Fens it has planted celery at the rate of seven plants a second (25,000 an hour). An experienced hand planter could set no more than 700 plants an hour.
6. The modern turbine plant can develop power equal to that of 9,000,000 men.

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7. One knitting machine operator can produce over 3,000,000 loops where only 300 loops can be done by hand—a 10,000-fold increase.

8. A production capacity of 1000 pairs of boots or shoes per day by two men is the claim advanced for a new machine in the hands of a firm in Los Angeles.

9. One giant shovel in 1930 equals the work of 200 lab orers in 1900.

10. Modern machinery can plough ten acres in a day where the horse-drawn plough was proud if it did one; it can harrow 130 to the horse's eight or ten.

11. At St. Louis, where sewerage work is being carried on, thirty-three machine operators, aided by thirty-seven laborers, are doing the work of 7000 pick and shovel men.

12. A modern straightline continuous brick plant will produce 400,000 bricks a day per man.

13. The introduction of oil fuel on the Cunard liners reduced the number of stokers from 951 to 263, forcing 688 into unpaid leisure.

14. The Macmillan Report tells us that the world's production of foodstuffs increased by 16 per cent between 1913 and 1928, and the world's population increased by 1 per cent.

15. The Chairman of the Dunlop undertakings (Britain) records an increase per worker during the last five years of 150 per cent.

16. The United States figures show an increase in output per worker in the last ten years of 40 per cent.

17. In the Australian tobacco trade, a cigarette machine recently installed is capable of turning out 12,000 cigarettes a minute, or over 700,000 an hour. Only three employees are needed to tend it and its productive service equals 700 pairs of hands.

18. Canada with its 7,000,000 h.p. development has in effect added 70,000,000 man power to its productive energy without an equivalent distribution of wages or purchasing power.

19. In 1904 it required 1291 man-hours to produce a motor car, whereas in 1929 only 92 man-hours were needed.

20. Not very long ago," writes Stuart Chase, "I visited the plant of the A.O.Smith Corporation at Milwaukee. There I found a great machine, filling the whole building, which seizes raw steel at one end and pushes out finished frames for automobile bodies at the other end: ten thousand a day; three million a year. This one building can supply frames for more automobiles than the entire country produced in 1933. But attending this machine are fewer than 200 men; they simply set gauges, inspect the process, control the endless flow of shining frames. And side by side is another building of an older design which uses a semi-automatic, not the full automatic, process. It is a far larger building, but the output is the same. Here the men do much of the work on the frames themselves. When operated at capacity, two thousand men are employed. I asked the President of the Company how many men it would take to manufacture ten-thousand body-frames a day by the still older machine process before conveyor belts and standard parts were introduced. At least twenty thousand, he said. And here we have the threat of technological unemployment quite vividly. Twenty thousand men using

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"hand machines give way to two thousand men using semi-automatic methods, who give way to 200 men on the full automatic machines. And all for an identical output.

"It is significant that round about 1920 in the United States the man-power employed in all our great industrial divisions began to decline. Throughout the period of prosperity, with production steadily increasing, we employed fewer farmers, fewer miners, and fewer factory workers and railroad workers. The beginning of the last decade was thus a time of signal importance in the history of the Industrial Revolution. It marked the turning point where industrial efficiency apparently had no use for more man-power in the great primary industries, no matter how much output increased."

The Proposed Solution

The foregoing makes it clear that the only cure for unemployment conditions—Canada's major problem—will have to be along quite different lines than anything suggested by Mr. Bennett. It is submitted that consideration should be given to fundamental steps to take off the labor market all enfranchised Canadian citizens of fifty years or over, who are willing, into the leisure class in return for a Retiring Allowance or a National Dividend, until they are seventy years of age; after that on the current rate of Old Age pensions—possibly, taking this liability over from the provinces. Because of the cost, it might be advisable to put a limitation on the earning power that is exchanged for this retiring allowance, and it is suggested that all men or women of fifty or over, whose names are on the voters list, earning $720.00 or less per annum, should be eligible to retire on a Retiring Allowance or National Dividend of that description. At the moment there are several hundred thousand comparatively young men and women, with all the hopes, the education, the natural, legitimate desires and ambitions that are the privilege and the joy of youth, willing and anxious to earn their own living, but denied the opportunity to do so because of depressed business conditions and the improvement in processes of handling the world's work. These younger people should be the ones to handle the burden of maintaining Canada's social, domestic and economic fabric. For them, a courageous leadership could make possible the prophecy of Isaiah:

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"And they shall build houses and inhabit them; and they shall plant vineyards, and eat the fruit of them. They shall not build and another inhabit; they shall not plant and another eat: for as the days of a tree are the days of my people and mine elect shall long enjoy the work of their hands. They shall not labour in vain, nor bring forth for trouble; for they are the seed of the blessed of the Lord, and their offspring with them. And it shall come to pass that, before they call, I will answer; and while they are yet speaking, I will hear."

Those enfranchised citizens of fifty years and over who would care voluntarily to retire on the lines suggested, are the ones who are entitled, because of the contribution they have already made in bearing the burden of the necessary work of the nation, to employ their leisure as they wish, rather than the younger, presently workless generation who are in enforced idleness to the detriment of their moral and physical well being!

It is expected that, by taking off the labor market this group of Canadian citizens, there will be created a sufficient demand to pick up all the slack in the unemployed situation, and do away with the unemployment problem; and in addition the distribution of this extra purchasing power, particularly if without increasing our debt or taxation—or raising costs of production—would so stimulate our factories and businesses generally that the problem of enforced poverty would be permanently solved.

Proposed Regulations

Some such regulations as the following would be advisable. Men or women eligible for this proposed retiring allowance:—

1. Must be fifty years of age or over; duly enfranchised Canadian citizens with names on voters list;
2. Must agree to resign from present job, if any, on the start of this allowance; and agree to accept no remuneration, directly or indirectly, in either cash, board, meals, or in any other way for work of any kind for <u>others</u>, while in receipt of this allowance. Any departure from this provision would be obtaining money under false pretences.
3. Must give up this allowance immediately on accepting a job for remuneration of any kind;

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4. A War pension or other private income would be excluded as part of annual earnings;

5. This retiring allowance will not be less than latest annual earnings nor more than sixty dollars per month. (If the individual is earning less than the sixty dollars, only what is presently or was formerly earned will be paid. This clause would not be necessary if the flat rate per annum plan were adopted.)

Much can be said for paying all recipients an equal sum for a Retiring Allowance or a National Dividend and that view may eventually prevail.

In the meantime, however, presumably the competitive system has measured in some rough degree the monetary value of a man's service to society by the annual income he has received for his services. That being the case in the early stages of the plan, if not always, Regulation No.5 would seem to be just. Also it must be remembered the lower the total cost, provided it ends the poverty of unemployment, the easier it will be for the public to accept it.

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Approximate Cost from the 1931 Census Figures

Male population 50 years to 70 years when Old Afe Pensions become effective - -	744,099
Plus female population of wage earning widows and spinsters between 50 years and 70 years estimated at 25% of 637,338 total - -	159,335
	903,434
Estimated 50% of these would qualify for this Retiring Allowance, or - - - -	451,717
Estimated average allowance $500. per year or approximately per annum	-$225,858,500
Estimated administration cost - -	- 1,141,500
	$227,000,000
Deduct estimated cost of relief to Dominion Government 1934 - - -	- 40,000,000
Estimated annual cost to Dominion Govt.	$187,000,000
Deduct estimated cost 1934 to provinces and municipalities - - -	- 85,000,000
Estimated 1934 Net cost to Canada -	$102,000,000

The above figures are used in the later argument. The flat rate figures follow herewith. If the flat rate per annum to recipients were adopted:

1. $400. would cost the Dominion Government - - $142,000,000
2. $500. " " " " " - - $187,000,000
3. $600. " " " " " - - $232,000,000
4. $700. " " " " " - - $277,000,000

* * * * * * * *

5.(a) If the rate per annum to recipients were $400. ($1.10 per day) to all between ages of 50 and 70—

Males 744,099
Females 637,338
Tot. 1,381,437 —the cost would be - - $552,574,800

(b) If 50 per cent would comply with conditions of no work for others, the cost would be - $276,287,400

(c) If this "no work" condition affected 50 per cent of male, and only 25 per cent of female population, the cost would be,as est'd.in No.1 plan - - $142,000,000

* * * * * * * *

Deduct from these amounts the estimated relief costs 1934 to provinces and municipalities of $85,000,000. to determine the net cost to Canada.

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The comparatively high annual cost of such a plan, necessary as it may be, to grant a large number of our citizens the ordinary amenities of civilization, would make it quite impossible to balance the Dominion Government's annual budget if raised by taxation, without adding to the already too heavy load of taxation which Canadians are bearing. It can be demonstrated, however, that Canada has a huge fund at hand in its surplus of assets over liabilities as itemized below. This fund is the accumulation of the ages in natural resources, and in our cultural inheritance and increment of association as evidenced in our well-equipped factories, transportation and other economic factors which make up the social fabric of Canadian life. In equity this fund of the nation's real credit belongs equally to all Canadian citizens under the trusteeship of the Dominion Government, and, as a matter of political expediency as well as a matter of justice, the trustees of that huge fund are entitled to monetize it and distribute such portions of it as may be needed to correct the social injustice of our unemployment problem and starvation in the midst of potential plenty.

Where Will The Money Come From?

When an individual borrows money from one of our chartered banks he puts up acceptable collateral, usually of stocks or bonds, which represents an interest in some of the wealth of Canada. The bank monetizes this title to wealth by granting him a loan which is deposited to his account in that bank. On this deposit account, the borrower draws his cheque as he needs money. This cheque is charged up to his account on presentation to the bank, either by an individual who has his own deposit account in that same bank, or when it is presented through the clearing house from some other bank which has received it for deposit to the credit of one of its clients. When the loan is due and paid off an entry on the opposite side of the ledger cancels the loan—the "bank money"—and the transaction is closed. In not less than 94 per cent of the monetary transactions in Canada this "bank money"—or "confidence money" as an English banker, Mr.A.H.Gibson, terms it—is the only

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money used. In England it is 99.30 per cent. It will be observed that it cost the bank only the time of a clerk to make the necessary book entries and some ink and paper ("The banker creates the means of payment out of nothing." R.G.Hawtrey, assistant secretary to H.M.Treasury.); and yet, the borrower cheerfully pays from 5½ per cent to 8 per cent for this "bank money" or "bank credit", based on his own credit, which in turn is based on his share of ownership of the national wealth! In monetizing or guaranteeing the credit of the borrower, the chartered bank performs a useful and necessary service in our economic life. With such a service the bank in effect substitutes its own credit, if the cheque is marked "accepted," for the cheque of the individual and so makes it practically equivalent to government-created money as between individuals in the same country.

When the Dominion Government needs money, there is no practical reason except in unthinking custom, why it could not get—through "a national credit account" written up as a credit or "monetized" in the ledgers of the Bank of Canada and backed by the same national wealth, public and private, which backs all the present public debt—all the money it needs each year for these Retiring Allowances to do away with widespread unemployment - without borrowing, without perpetual interest charges, and without taxes. Where an individual needs a bank to lend its "bank credit" to him, because the bank credit stands higher than his, is known from one end of Canada to the other and so is easily negotiable as "bank money"—the Dominion Government needs no such bank credit. Its credit stands higher than any bank or than all Canadian banks together. A government cheque drawn on the "national credit account" in the Bank of Canada would be accepted without question by any Canadian for any amount any governmental department would sign. What is necessary for an individual to do to have his cheques accepted as cash throughout Canada, is quite unnecessary—is bad practice—is wasteful and costly for the Dominion Government to do.

Bank of Canada Act

It is proposed then that an amendment to the Bank of Canada Act be made instructing the Bank as follows:

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1. On notification by the Governor in Council it shall set up in its books a "National Credit Account" to the amount of the total wealth of Canada less the present public liabilities, as furnished from time to time to it by the Treasury Board;
2. To charge to this account all Dominion Government cheques specifically drawn on the "National Credit Account" presented to it through the chartered banks plus their handling charge;
3. To credit the account of such banks on the books of the Bank with such amounts, and
4. To add immediately following the words "The Consolidated Revenue Fund" in fourth line Sec.3 Para.23 Page 12 in the Bank of Canada Act "or The National Credit Account" and also add to the end of Sec.3 the same phrase.

Some such amendment would re-capture for all the people of Canada the national credit so casually given to the privately controlled Bank of Canada by Mr. Bennett when establishing the Central Bank last session. Some additional amendment would be required to re-capture the control of the national monetary policy. With such amendments the Bank could continue to be privately owned, though to eliminate opposition from the shareholders to this proposal consideration should be given to the advisability of guaranteeing the dividend at 4½ per cent while reserving the right to redeem the shares at par.

Wealthy Canada !

Judged by the annual budgets of the Minister of Finance, Canada is too poor to do its duty adequately by its unemployed and give all of its citizens a decent standard of living. When, however, we assemble its assets and liabilities we find Canada is probably one of the wealthiest—if not the wealthiest per capita—countries of the world ! It has ample resources with a reformed money system to take care of all its unemployed, or aged, or infirm, citizens.

From the Bureau of Statistics sources and from the Metropolitan Life Insurance Company tables as applied to the monetary value of the man-power of the United States, the following table of the

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wealth of Canada has been worked out. It is approximately correct though some of the data on which it is founded is not in complete form. There would, however, be no difficulty, if this plan of financing the Retiring Allowances were adopted, in our well equipped Bureau of Statistics giving us accurate data quarterly, semi-annually and annually, of the total Net value of the national wealth to back this "National Credit Account." This value together with Canada's ability to deliver goods and services as, when, and where required, is the foundation of Canada's national credit, and the backing for the public debt of Canada.

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The National Wealth

Assets and Liabilities of C a n a d a

Assets

RECAPITULATION

No.	Subject	Amount
1.	Man Power	126,768,000,000
2.	Land	2,710,358,000
3.	Farm Values	3,597,995,000
4.	Agricultural Products	1,631,124,000
5.	Minerals (Coal)	583,743,800
5.	" (other)	1,936,312,820
6.	Forests	4,486,576,000
7.	Fisheries	2,034,856,600
8.	Water Powers	2,750,000,000
9.	Manufactures (plant etc.)	2,036,999,630
10.	do. (materials etc.)	837,805,000
11.	Construction	137,685,000
12.	Trading Establishments	1,136,291,000
13.	Steam Railways	3,153,351,000
14.	Electric Railways	240,111,000
15.	Telephones	291,589,000
16.	Urban Real Property	8,251,011,000
17.	Cabals	241,946,000
18.	Harbours (amount expended)	367,488,000
19.	Shipping and Aircraft	149,306,000
20.	Imported (merchandise in store,etc.)	649,477,000.
21.	Automobiles	758,424,000
22.	Highways, etc.	364,896,000
23.	Household Furnishings etc.	1,370,000,000
24.	Specie etc.	201,030,000
25.	Fur Bearing Animals	142,117,280
26.	Tourist Trade	1,552,870,000
		$169,862,130,000

Liabilities

Debts as recorded (See details on next page)	11,635,684,686
Surplus Assets over Liabilities	$158,226,445,314

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Assets and Liabilities of Canada

Liabilities

Summary of Public Debt taken from the Report of the Banking and Commerce Committee, 1933 (Appendix D) with revisions by the Dominion Bureau of Statistics in some cases.

Net Debt of Canada, March 31, 1934		2,729,978,141
Guaranteed Debt of Canada, March 31, 1934		
Principal and Interest Guaranteed		746,035,434
Interest only Guaranteed		216,207,142
Gross Direct Liabilities of Provinces, fiscal years ended in 1933		1,436,366,413
Indirect Liabilities of Provinces, fiscal years ended in 1933		229,844,566
Grand Total Direct Liabilities of all Canadian Municipalities, Dec. 31, 1932 at least		1,677,904,141
		$ 7,036,335,837
CORPORATIONS:		
Railways	919,000,000	
Manufacturing	498,002,379	
Non-manufacturing	680,422,720	2,097,515,099
MORTGAGES:		
Farm	677,564,100	
Urban	765,000,000	1,442,564,100
Bank Loans (unrevised)		1,059,269,650
		$ 11,635,684,686

Statistics in regard to private debts are not procurable. On page 17 of Banking and Commerce Committee Report, Dr. Coats is reported:- "It is frankly impossible, short of an elaborate enquiry.....to arrive at anything like a complete figure on private debt."

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This amount, huge as it seems, will on a careful check up by the Bureau of Statistics when this plan is in operation probably be much increased, as the basis on which these amounts are computed tend to be on the conservative side. For example, in using the Metropolitan Life Insurance Company's figures for arriving at the monetary value of the population of Canada, we have estimated them at the conservative value of $12,216.00 per individual. At Stratford, in the 1930 election campaign, Mr. Bennett stated that the 18-year old individual was worth $18,000 to the state. As we have pointed out, however, the figures have been as carefully compiled as possible from the available sources of information and are believed to be conservative, but they could be very, very much reduced and still would provide an ample fund monetized in the ledgers of the Bank of Canada as suggested to permit the Government of Canada to pay monthly cheques to all entitled to the benefits of this plan. Financed in this way, it would be feasible, sensible, costless and taxless.

As this estimate, $227,000,000., the annual cost of this plan, is expected to do away with involuntary unemployment and therefore with unemployment relief costs, the provinces and the municipalities could be progressively relieved of that burden. Relieving the municipalities of such costs, would widen the appeal immensely, but in order to populatize the political appeal for this plan still further it is suggested that the Government arrange with the provinces that if it undertakes to shoulder the burden of this $227,000,000. per year, the provinces will relieve the motorists of the Dominion somewhat from the gas tax by reducing it to not more than half the present rate (now ranging from 6¢ to 8¢) per gallon. As motorists are municipal, as well as provincial, tax-payers, such an undertaking would relieve them from both a provincial and municipal tax-paying point of view. From a political standpoint, there is no reason why the provinces should not co-operate with the Dominion Government by reducing this tax on gas in exchange for its assumption of the tax relief burdens. That would tend to popularize

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the provincial governments for lightening the far too heavily tax-laden Canadians throughout the country of a measure of the burden. Or the Dominion Government might prefer to have the provinces and municipalities forego income or other duplicate sources of taxation.

As this presently planned Retiring Allowance would be taken over by the Old Age pensions at 70 years of age, if financed as suggested, consideration should be given to relieving the provinces of the Old Age pensions cost, which would again offset partly the cut in the gas tax revenue.

Quebec and New Brunswick are the only provinces not having Old Age pensions but they make certain allowances for a somewhat similar purpose. As the Dominion Government is already paying 75 per cent of Old Age pensions this would add $7,200,000. to the cost of Retiring Allowances, on the basis of 120,000 pensioners (90,998 June 1933 without Quebec and New Brunswick) at $240. per annum. This would bring the total cost for plan to $234,200,000.

This plan should have a favorable, nation-wide, appeal touching as it does practically every Canadian home, not only to the immediate recipients of this Retiring Allowance or National Dividend, but to all men and women approaching fifty years of age who would within the next few years be eligible for such an allowance. It would provide for workers in agriculture, lumbering and fishing industries for whom no provision is made under the Unemployment Insurance Scheme. It would appeal also to the members of the immediate families concerned and to their family connections who would benefit by their elders obtaining this retiring allowance, and to men and women of good will throughout Canada who are now appalled by the misery in so many homes created by this unemployment situation. In the list to benefit from the distribution of this approximately $234,000,000 annual ly direct to consumers, without increasing taxation or cost of production, not by any means the least would be the manufacturers, business and professional men generally, as this extra purchasing power would stimulate factory production, retail sales, and our general economic life to a very marked degree.

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Inflation and Reflation

There might be against these political gains a cry of inflation raised by political opponents and special financial interests. There would be of course no inflation if the production from our factories were stepped-up, as it would be, for consumable goods, to synchronize with the increased purchasing power available, and certainly our manufacturing and distribution equipment is amply sufficient to meet such a demand for many, many years to come. This annual distribution of extra purchasing power under these estimates—viz., $102,000,000—would only partly replace the decrease in the national income brought about by the unnecessary deflationary policies of the Bennett government (such as prohibitive tariffs) on top of the world depression, since 1930. The stepping up of production of consumable goods in turn would create a still further demand for additional labor, and further help to restore the national income to the 1930 (or even the 1929) level. It is estimated this would require not less than three, or perhaps, four years. It is planned by that time to have regulatory taxation, such as heavier income taxes on swollen incomes, excess profits taxes, and other measures in operation as to effectively control any tendency to inflation that may appear. Any that does appear by that time it is estimated could be of such a mild character as to be more accurately described as "reflation" and would require no special legislation.

National Income Canadian People

1929:	$5,500,000,000
1930:	4,750,000,000
1931:	3,700,000,000
1932:	3,181,500,000

In January 1935 the figures for 1933 were not yet available. From the foregoing it will be seen there could be considerable "reflation" before the Canadian national income returned to the level at which Mr. Bennett received it in 1930!

The chartered banks would gain by the extra number of deposit accounts and extra business of handling these 600,000 or so monthly cheques, in addition to improved business conditions for their clients. The Bank of Canada which by law handles the Government

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business free of charge, would lose nothing from that source but it would probably lose some commissions from the placing of a loan if floated for such a purpose as this. However, as the profits of the Bank of Canada are limited to 4½ per cent by law, its shareholders would not be penalized by handling the matter by the method described, as the profits arising from ordinary central bank business would continue.

International Finance

It is probable that the chief opposition to such a favorable change would come from the international bankers led by the Bank of England and the "City" in London, and the international bankers of New York. Under the circumstances, the utmost caution should be exercised in handling the situation and a part of this caution would be that this plan should be confined to the knowledge of a very select and trustworthy group of people until it is launched on the public, and it is suggested that such launching should be but a few days before the next general election if the plan is accepted and be in not too much detail. It would be most effective then, if treated in the meantime as a masked battery on the firing line.

If Canada is successful in breaking the international financial monopoly on the credit of Canada in this way, it is felt that the United States would quickly follow such a blazed trail. If the United States adopted a similar plan, the stranglehold which international finance headed by the Bank of England, has on all countries in the world, would be broken so quickly and so thoroughly that an unduly lucrative business to the central banks of the world and the international financiers controlling them, would be forever finished. If this analysis is approximately correct one can see the extreme need for caution in handling the situation. With this breach in the ramparts of international finance, poverty in Canada, and in other countries adopting a similar plan, can be practically abolished. With such a plan accepted by the people of Canada a special session of Parliament to pass the necessary legislation could end involuntary unemployment before Christmas 1935.

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"Sound Money" Finance

Though financing the Retiring Allowances in such a feasible way would not be according to the rules of "sound money" finance, neither is operating the country's business on an unbalanced budget as is presently being done by the Dominion Government and many of the provinces and municipalities, according to "sound money" finance. In fact, "sound money" finance is in great discredit throughout the world generally: it is impossible to do the world's business on such an outworn system, but it suits the international bankers. This plan, however, will correct a long festering wound in the social and economic fabric of Canada and it is believed the monthly distribution throughout Canada of this extra $8,000,000 to $9,000,000 of purchasing power direct to consumers without adding to taxation, or production costs, will so stimulate our whole economic system that it will enable our public authorities, and our two railway systems (one of them costing the Dominion Government $50,000,000 annually), finally to balance their budgets and thus meet the requirements of "sound money".

This can best be done by the Dominion Government using its national credit without cost in this way for such a worthy purpose, instead of borrowing the same credit from other sources at a perpetual cost of 3 per cent to 4 per cent per annum as required by so-called "sound money" finance. Per contra, if it were attempted to raise the amount of money annually required for such a plan by increased taxation, it is believed the tax-burden would be ruinous to industry and individuals, and would so accentuate distress that revolution would be still further encouraged. If raised by borrowing each year without a balanced budget, which would be an impossibility, "sound money" would be affronted, rates would be progressively increased and lending sources dried up—and the last state would be worse than the present one, if possible. After carefully canvassing all angles of the situation, if the misery, and the degredation, of the unemployed is to be ended, the general public must be persuaded of the workability of this proposed plan, and likewise the "sound money" backers must be brought to see that in their own best interests, as well as in the general interest of

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Canada they should accept it as the logical solution of a hitherto insoluable problem.

The Price Discount

During the first three or four years' operation of this plan while the necessary "reflation" is taking place to put business and industry on a profitable basis, the Government should arrange with a Social Credit engineer to draft out a plan for instituting the "Price Discount" as a necessary part of this system to prevent eventual possible inflation. The "Price Discount" could be a discount of 20 per cent or more fixed mathematically and paid out of the "National Credit Account" to purchasers at retail counters of consumable goods. It is based on the ratio of <u>total</u> national consumption to <u>total</u> national production on the theory that no matter what the financial cost of an individual product, the real cost of the total production of the country is the total consumption of material and labor while such production is taking place. The difference between real cost and financial cost should be the "Price Discount." The manufacturer, jobber and retailer make their regular profit, but the vast fund of the "National Credit Account," the huge stabilizing fund, belonging to all the people, pays out the "Price Discount" to the extent earned by the producers of the country as shown in the statistical records set up for such measurement, making it possible to sell Canadian goods to Canadian consumers at greatly reduced prices.

Parliamentary Control

To do this, however, the control of national monetary policy must be recaptured by Parliament. To effect this will require courage, generalship and statesmanship of a high order as it is reflected in the Liberal position on national sovereignty over the national credit. And on what better ground could such a campaign be fought than to end involuntary unemployment with its demoralizing effect on most Canadian homes; and in ending compulsory idleness, to banish poverty from Canada?

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The Banking Mechanism

After Parliament passes the necessary legislation the financial mechanism to implement this plan would be approximately as follows:

1. The government by order-in-council would instruct the Bureau of statistics to prepare an estimate of the net wealth of Canada on the lines laid down in the appendix to this report, and report its findings with quarterly revisions as speedily as possible to the Minister of Finance.

2. The Governor-in-council would then instruct the Bank of Canada that the Bureau of Statistics had given it as their opinion that the net wealth of Canada amounts to, say, $200,000,000,000, and that they desire to have a credit to the government set up in the books of the Bank of Canada to that amount until the next quarterly revision under the title of the National Credit Account.

3. The government by order-in-council would authorize the Department of Finance to issue cheques on the National Credit Account monthly to the amount necessary to pay the authorized Retiring Allowances or National Dividends to those qualified to receive them under this plan.

4. These cheques would be deposited by their recipients in the various chartered banks of Canada to their credit.

5. These cheques would be forwarded by the chartered banks to the Bank of Canada and would be credited to them on the books of the Bank of Canada plus the service charge.

6. The Bank of Canada would cancel these cheques plus service charge by charging them to the National Credit Account.

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When ready to be announced, say, about three weeks or so before the election, something on this line is suggested:— (Just a day or two before the vote more details could be given if desirable.)

Our committee on Unemployment believe they have a plan in the making for the solution of this problem. It will not be worked out in the necessary detail for adoption for some weeks perhaps, but within certain limits the committee is forced to the conclusion that improvement in machinery and processes definitely require less and less labor for supplying our wants. That being the case, they are exploring the avenue of offering some inducement to a sufficient number of men and women of fifty years or over to retire voluntarily from the wage earning or salaried class until they are seventy years of age when they become eligible for Old Age pensions. With these provided for by a State Retiring Allowance it is fully expected the younger men and women will be needed to carry on the work they have been doing and thus have the opportunity they have been denied during the last few years, to live a normal life. Those accepting the Retiring Allowance can again become wage earners by giving up the Allowance, but, while in receipt of it, they will not be permitted to work for any one but themselves; nor must they sell the product of their labor. In other words, some of those who have reached fifty years of age may join the leisure class, if they wish, in order to give the younger generation the chance they themselves have had in their younger days.

If this plan works out as satisfactorily as it now looks from our studies to date, unemployment will be banished from Canada and the heavy relief bills presently being paid by the provinces and the municipalities will be a thing of the past. This will undoubtedly add to the load of the Federal Government, so it is planned therefore to ask the co-operation of the provinces to lighten the load of their taxpayers by reducing the gasoline tax to 50% of its present amount as their contribution for the Dominion Government taking over unemployment relief costs in the manner suggested.

We could give you many more details but as we have said, our studies are not yet complete and further investigation may change these details considerably. We think we have given you sufficient information, however, regarding the principle on which we are working to show you that unemployment for any one under fifty years of age willing and able to work, may soon be a thing of the past.

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C150727

"Draft Plan for ending Unemployment in Canada"

A. - The Plan

1. The various papers submitted consist of a draft plan, appendix, and a series of clippings and articles. A full understanding of the plan does not involve reading the appendix. The clippings are pretty much those which have appeared from time to time on the "Citizen" editorial page, showing how credit is created by banks; the dangers of financial imperialism, and the merits of social credit. There is a brief article, "Why Social Credit?" by Major Douglas, which might be read.

2. - Provisions of the Plan.

The draft plan sets forth that unemployment is the greatest problem in Canada today, that it is a permanent, not a temporary feature, and that technological unemployment due to the vast increase in the use of machines will continue to increase rather than diminish.

The proposed solution involves the payment of a pension or "national dividend" to Canadian citizens fifty years of age or over, who will voluntarily retire from the labour market, giving up their present occupations. Their jobs will be taken by people under fifty, who at present are unemployed.

There are several variants of the plan, but the one followed in the draft has the following main features:

(1) Men or women eligible must be fifty years or over, and on voters' list.

(2) Must resign from present job and accept no remuneration for work of any kind for others.

(3) Must give up the allowance on accepting remuneration for any work.

(4) War pension or other private income would be excluded as part of annual earnings.

(5) Retiring allowance will not be more than $60. per month. If the individual is earning less than $60., only what has been earned will be paid.

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Based on the 1931 census figures, and an estimated average allowance of $500. per year, this scheme would cost annually $227,000,000. After deducting the estimated cost of relief in 1934 to the Dominion, Provinces and Municipalities, the net cost would be $102,000,000.

The scheme does not call for the raising of this money by taxation; indeed it says, "the comparatively high annual cost of such a plan would make it quite impossible to balance the Dominion Government's annual budget if raised by taxation, without adding to the already too heavy load of taxation which Canadians are bearing." (~~Indeed,~~ A marked passage in a copy of "Social Credit" enclosed with the plan, states, "If someone told us that taxation was cruelly and fantastically needless, most of us would probably just laugh. Yet this is a sober, honest fact.") It simply calls for the creation of a National Credit Account in the Bank of Canada, on which the government could draw at will. The following steps will be necessary to this end:

(1) The Bank of Canada to set up in its books a "National Credit Account" to the amount of the total wealth of Canada less the present public liabilities.

(2) The Bank of Canada will be empowered to charge to this account all Dominion Government cheques drawn on the National Credit Account, which were presented to it through the chartered banks, and would credit the account of the chartered banks with corresponding amounts.

B. - Comment

1. - Monetary Reform alone not capable of solving all Problems

The plan and its supporting documents assumes that all problems of trade, unemployment and depression generally can be solved by the single solution of currency and credit manipulation. The plan does not recognize the necessary limits of monetary reform.

2. - Danger of Inflation

The scheme is simply a particular application of the Douglas doctrine of social credit. Removed of its elaborate set-up

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and its technical aspects, it can be reduced to a proposition whereby the Government has unlimited access to the financial resources of the nation.

Ignoring all the difficulties in the way of putting this scheme into practical effect, and administering it, and ignoring also the ~~wisdom~~ danger of the Government carrying on services without raising the funds by taxation, the question arises, what is to prevent the Government from using the National Credit Account for other purposes? As soon as it is used for unemployment relief, there will be demands for its use in innumerable other directions. If this process is carried on indefinitely, inflation is bound to follow. It can be argued that some degree of inflation is a necessary step towards recovery, but there is no assurance contained in the plan that when prices reach the pre-depression level that they will stop there.

The possibilities of inflation under this plan may be seen from the fact that in October, 1929, the loans of the chartered banks (i.e., the volume of bank credit in existence at that time) amounted to $1,800,000,000. As set forth in the scheme, the National Credit Account would equal the national wealth of Canada, less its liabilities, which is roughly given as $158,000,000,000. Thus a volume of credit could be created approximately one hundred times that existing in 1929. In the absence of some factor regulating Dominion Government expenditure - such as taxation or the necessity of paying interest on loans as at the present time - there would be no assurance that violent inflation would not follow. The authors of the scheme recognize this danger and seek to meet it by what is called "the price discount". It is suggested that in the first few years of the operation of the plan the Government should arrange with a social credit engineer to draft out a plan for instituting this price discount. "The price discount could be a discount of 20% or more, fixed mathematically, and paid out of the National Credit Account to purchasers at retail counters of consumable goods." The paragraph dealing with the discount is rather inadequate. At any rate, it involves the Government drawing on the National Credit Account in order to offset the inflation of prices. In other words, it will continuously increase the amount of credit outstanding, i.e., inflate further - to combat the results of previous inflation itself. The perils of, and the suffering inflicted on all classes by inflation are so great that a more satisfactory safeguard against it would have to be devised before any

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Government would be justified in embarking on a scheme which would lead so inevitably to inflation. Apart from the price discount, the scheme seems to rely altogether upon the wisdom and the ability of statesmen to control the use of credit under the plan.

3. - The Proposed Statement of Canada's National Wealth

The amount of the National Credit Account is to be determined by the value of "the national wealth". A tentative calculation has been worked out in the plan. It is reached by adding the total amount of capital invested in railways, harbours, highways, industry, etc., etc., and an estimated capitalization of the potential value of our minerals, water powers, and all other natural resources. Indeed, there is included an estimate of the value of the population of the country which is fixed at $127,000,000,000. From this total is subtracted the debt of the Dominion, Provinces and Municipalities. As worked out, the national wealth is $158,000,000,000. In other words, the National Credit Account would be aggregate of the total capital of the nation, plus an estimate of the capital worth of all our resources. The Canada Year Book for 1933 gives the total national wealth of Canada (i.e., the capital wealth of Canada) as $31,000,000,000. The National Credit Account would be over five times this amount.

The scheme does not indicate how much of this account could be drawn on each year. The total national income, (i.e., the amount of income earned from the use of our total national wealth), in 1932 was $3,000,000,000. Is the National Credit Account to be drawn on for this amount, or for any amount up to the total national wealth? If the latter is the intention, and it were possible to carry it out, it would be equivalent to using up in one year all the wealth producing facilities of the country, thus consuming the nations capital and impairing the possibility of producing further wealth from it each year.

E. A. P.

May, 1935.

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Coll- Unemployment policy.

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Mr. King's Speeches in Parliament re Unemployment

Hansard sent to Laurier House, March 26.

Special Session 1930:

September 10th, 1930,
" 11th, "
" 12th "
" 15th "

Session 1931:

April 15th, 1931
June 16th, 1931
July 29th, "
July 30th "
July 31st "

Session 1932:

March 1st, 1932.
" 8th "
" 22nd "
" 29th "
April 1st "
" 28th "

May 9th, 1932.
" 11th "
" 12th "

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Session 1932-33:

October 10th, 1932,

November 22nd "

February 24th, 1933,

March 20th "
March 21st "
March 22nd "

March 23rd "

March 24th "

March 27th "

Bill respecting Relief Measures
Minister of Labour, March 24th, 1933

Session 1934:

January 29th, 1934,

March 22nd "

" 26th "

" 27th "

" 28th "

April 10th "

" 16th "

Session 1935:

January 28th, 1935.

February 5th, 1935.

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June 19, 1935

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Mr. King:

This material can be divided into two parts:

1. An attempt to classify on the basis of occupation the unemployed in certain municipalities. It does not throw any very new light on the total numbers unemployed and I do not know of what value it is to have the particular classifications set forth. The work does go to show, however, how very meagre are the present sources of information on the extent of unemployment, and how little has been done by the Dominion government in this connection. If a single member of Parliament working by himself and unofficially could secure this data, the Dominion government could certainly, if it were interested, secure a much more complete picture.

2. A general review of the present government's activities on the unemployment problem, year by year. It has a good deal of information - extracts from Mr. Bennett's speeches, from Speeches from the Throne, expenditures on relief, etc., etc. While the material is not very carefully correlated, it certainly does establish the failure of the government to ~~deal with~~ cope with this problem.

EAP

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E.A.P.

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Glance through

C150734

give an estimate

of what Mr. King

can say to Pauliot

about the wisdom

of it

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Coll - Royal Canadian Mounted Police
[redacted]
(One copy of this document is kept under - Coll-Unemployment policy)

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SESSIONAL PAPER NO. 422

Wednesday Jul 3 1935

EARNSCLIFFE
LINEN BOND
MADE IN CANADA

23 PAGES

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TELEGRAM

C150736

Ottawa, July 3, 1935

Hon. T. C. Davis,
Attorney General of Saskatchewan,
Regina, Sask.

Your telegram second instant re strikers (stop). Procedure in criminal matters is exclusively within Dominion jurisdiction (stop). Your powers and functions in criminal matters are dependent on Criminal Code and not the British North America Act (stop). Criminal Code Royal Canadian Mounted Police Act and Railway Act are equally effective Dominion legislation and must be read together (stop). The Dooe does not provide that charges can only be laid by Attorney General (stop). The Railway Act contains special provisions for policing Dominion railways (stop). The Royal Canadian Mounted Police Act provides that members of the Force shall perform all duties assigned to constables in relation to the preservation of the peace the prevention of crime and offences against the laws in force in any province and that they shall have all the powers authority protection and privileges which any constable has by law (stop). Purpose of agreement for policing Province by Royal Canadian Mounted Police was to give Province benefit of Force for provincial purposes but not to restrict or diminish Dominion powers or abrogate any Dominion statute (stop). Agreement provides that except for provincial purposes the Force shall remain a Dominion Force entirely under the control of the Dominion Government and that where Federal statutes or duties are concerned the members of the Force shall take their instructions fwom their superior officers at Ottawa (stop). Present trouble is not a local matter in Province involving ordinary administration of justice (stop). It is incidental to proper policing of Dominion railways and is part of a Dominion-wide scheme under the leadership of revolutionaries to concentrate a large body of men at Ottawa for the purpose of endeavouring to enforce

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enforce demands which have already been refused by the authorities (stop). Dominion Counsel at Regina assisting the Royal Canadian Mounted Police were instructed to co-operate with provincial and municipal authorities and are fully aware that should any of the charges laid under their direction result in commital for trial the proceedings will thereupon by virtue of the Criminal Code pass under your control as Attorney General of the province (stop). In taking action as above Royal Canadian Mounted Police are acting consistently with the practice in all the provinces whether the province has a separate provincial police force or not.

HUGH GUTHRIE

Minister of Justice.

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CANADIAN PACIFIC RAILWAY ComPANY'S TELEGRAM

TELEGRAM

Rush

Ottawa, July 2, 1935

Honourable J. G. Gardiner,
Premier,
Regina, Saskatchewan.

Large number of so called strike marchers now at Regina have never been in relief camps and being homeless cannot be sent to any definite locality as being their homes. The Federal Government is ready and willing to feed these marchers at Lumsden and transport them to that point. Apparently leaders demand transportation to Vancouver as organized bands which we are not willing to do in view of the illegal character of their organization and avowed purposes of their leaders. Of course we have no intention of interfering with any action you may decide to take that does,not involve these men in violation of the laws of the country.

"R. B. Bennett"

Chg. Prime Minister's Office

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CANADIAN PACIFIC TELEGRAPHS

TELEGRAPHS

Ottawa, July 2nd, 1935

Honourable J. G. Gardiner,
Premier,
Regina, Sask.

Your message received indicating your willingness to undertake work of disbanding strike marchers without sending them to Lumsden. Please indicate just what this means in order that there may be no misunderstanding.

"R. B. Bennett"

Chg. Prime Minister's Office

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CANADIAN NATIONAL TELEGRAM

1935 Jul2 AM 7 19

MOA 163 NL XU 1/70

REGINA, SASK JULY 1

Rt. Hon. R.B. Bennett,

Prime Minister of Canada,

Ottawa, Ont.

You have no doubt been advised of latest developments. We wish to state that men had interviewed us at five o'clock. They stated they had advised your Government through your representative they were prepared to disband and go back to their camps or homes provided they were allowed to go under their own organization. They state this was denied them. They asked our Government to take responsibility for disbanding them to their own camps or homes. While we were meeting to consider their proposals and any suggestions we might make to you trouble started down town between the police and strikers without notification to us of police intentions which has resulted in at least one death in the police force and scores of citizens strikers and police wounded. We are never the less prepared to undertake this work of disbanding the men without sending them to Lumsden. Will you consider negotiations on basis of this proposal.

"James G. Gardiner"

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317 Rush

Regina, Sask. July 2-35. 1125A

C150741

Rt. Hon. R. B. Bennett,

Prime Minister of Canada,

Ottawa.

Yesterday morning men indicated to your representative Mr. Burgess their willingness to disband the march and return to the points from which they came. They repeated this to Mr. Burgess and representatives of the police at two thirty Stop Your representative refused to have Provincial representation at that meeting. The men met us at five o'clock stating that since your representatives had refused to consider this the Provincial Government take responsibility for disbanding men to their original camps or homes and supply them with food in the interval. While we were considering this matter police raided public meeting to arrest leaders precipitating a riot. Men at present in buildings at fair grounds completely surrounded by police who permit no one to enter and men to leave only in twos Stop Police intention to force these men to Lumsden camp or starving them into submission Stop This will end in a worse riot than last night Stop These men should be fed where they are and immediately disbanded and sent back to camps and homes as they request without any attempt to force them into Lumsden and this should be done within next two hours This Government has a responsibility toward its citizens to provide them with ordinary protection against this imported trouble Stop We would ask you to immediately withdraw orders issued affecting the liberty of individuals within this Province and affecting the law and order of this Province. You might assume that we are as much concerned about law and order in this country as you can be and deal with

the .....

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the elected representatives of this Province regarding matters concerning our people instead of through an appointed political representative Stop We are asking you if you are going to feed these men within the next two hours and are asking you to instruct us within two hours what plans are to be made for their disbandment.

(sgd) James G. Gardiner.

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C150743

C O P Y

Ottawa, 29th June, 1935

Hon. T. C. Davis,
Attorney General,
Regina, Sask.

Replying to your wire twenty eighth instructions have been issued to police officers to prevent movement of marchers eastward from Regina by rail or road which may involve any breach of law Stop No instructions have been issued to prevent persons rendering assistance to marchers by way of food or otherwise Stop Arrests heretofore made involve charges of vagrancy unlawful travel on highways and offences under section ninety eight of Criminal Code Stop Will instruct legal agents to furnish copies of charges to you as soon as they are completed.

(sgd) Hugh Guthrie

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C150744

Ottawa, June 27, 1935

Honourable James G. Gardiner,
Premier of Saskatchewan,
Regina, Sask.

In view of your recent telegrams may I remind you that in consequence of men now congregated at Regina taking possession of railway cars and trains human life the carriage of mails the transportation of freight and the property of the railway companies have been endangered thus creating a situation in which the Dominion Government was bound on request to act to discharge the responsibilities imposed by the Parliament of Canada under the provisions of the Railway Act and of the Criminal Code. Notification was given last week to the men in question that their further trespass on railway property would not be permitted but that all due and proper facilities for their return to their previous places of abode would be provided. In order to give time for them to accept, the Dominion Government arranged to provide them with food in the interim. Until Wednesday morning this arrangement was through the issue of meal tickets in Regina and from that date food and shelter have been offered at the temporary camp at Lumsden which has been opened by the Department of Labour for this purpose and at which all applicants will be received and care for until other arrangements can be made. Transportation to camp is available. The Dominion Government is determined that the forces organized to maintain society shall contrive to preserve human life law and public safety. I publicly appeal to you and to your Government to discharge your proper responsibilities in respect to the maintenance of law and order in the Province of Saskatchewan. If you are unable to carry out your constitutional obligations and seek the assistance of the Dominion it will be furnished when requested as by law provided.

(sgd) R. B. Bennett.

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CAN. NAT. TELEGRAM C150745

Regina, Sask. 27 June.

Rt. Hon. R. B. Bennett,
Prime Minister of Canada,
Ottawa, Ont.

I must at once take exception to your suggestion that we quote declined to cooperate to maintain the fabric of our society and the institutions of the country against the illegal threats and demands of Communists and associates. Unquote. Fortunately this province had no problem until you imported one into Saskatchewan and took steps to see that it remained there. Stop. There is no other problem here now. Stop. I hesitate to think that you permitted this movement to advance from British Columbia to Saskatchewan without molestation, if you considered it was an organization dangerous to society and institutions of the country and without warning us of its approach and taking earlier steps to prevent it. Stop. Our province is policed by Royal Canadian Mounted Police. Stop. With the advent of this problem into Saskatchewan complete control of our police force was taken by your government despite our protest and we were left here with no police facilities with which to do anything. Stop. We asked you to have your orders withdrawn and police force left under our direction. Stop. This was refused. Stop. This condition still prevails. Stop. While protesting your actions we have assiduously refrained from interfering in any way with your orders so that you would not be embarrassed by any action on our part. Stop. You have placed us in a situation in which you seek our cooperation and at the same time you have prevented cooperation by removing from us all vestige of control over the only possible means with which we could cooperate. Stop. We have repeatedly warned you of possible serious consequences of actions you were pursuing and have warned the men that police would follow whatever instructions were issued from Ottawa. Stop. Notwithstanding these facts if there is any development in Saskatchewan apart from the situation with which you are dealing we are still prepared and will notify you immediate if any need of police assistance.

James G. Gardiner.

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C150746

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CANADIAN NATIONAL TELEGRAM

Regina, Saskatchewan June 26, 1935, p.m. 2 15

Right Hon. R. B. Bennett,
Prime Minister of Canada,
Ottawa, Ont.

We protest the formation of a camp in this province to maintain here marchers brought into the province from outside and would again ask Federal Government which permitted the march into this province and the railways who facilitated the movement to see that the marchers leave the province.

James G. Gardiner.

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CANADIAN PACIFIC TELEGRAPHS [redacted]

Ottawa, Ont., 27th June, 1935

Hon. James G. Gardiner, M.L.A.,
Premier,
Regina, Sask.

You have entirely misconceived the meaning of my telegram of today. I can only repeat what we have already several times informed you that the Federal Government having been advised of a breach of a federal statute and requested to take the necessary remedial action is using its utmost efforts to preserve life and property and I advised you again today that if the Provincial authorities required assistance in the maintenance of law and order apart from the situation with which we are dealing the Dominion will assist them in their efforts in accordance with the proper procedure in that regard. Have not the slightest intention of withdrawing from the position which we have taken and propose to use our utmost endeavours even although you decline to cooperate to maintain the fabric of our society and the institutions of the country against the illegal threats and demands of communists and their associates.

R. B. Bennett.

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Copy CANADIAN PACIFIC TELEGRAPHS [redacted]

4R. S. 315 NUSH

Regina, Sask. June 27-457PM

RT. Hon. R. B. Bennett,

Prime Minister of Canada,

Ottawa, Ont.

Your last telegram of June twenty seventh received and ends Quote I publicly appeal to you and your Government to discharge your proper responsibilities in respect to the maintenance of law and order in the Province of Saskatchewan. If you are unable to carry out your constitutional obligations and seek the assistance of the Dominion it will be furnished when requested as by law provided. Unquote On June 18 I advised you that Provincial Government in position to handle situation in its relation to the administration of justice which has developed as a result of marchers passing through this province. I indicated confusion existed in minds of officers of Royal Canadian Mounted Police and Railways re authority as a result of order issued from Ottawa might result in difficulties which might be serious. I asked you to withdraw orders affecting the administration of justice in this province and to await a request for action from this government should it be necessary to advance one. Your Minister of Justice replied on June 16th refusing to comply with our request and insisting that the matter was lawfully within the control of the Dominion Government and indicated that no change in your policy was contemplated. On June 1[illegible] I wired your Minister of Justice strenuously protesting against your interference with our constitutional rights and asking you once again to reconsider your position. That telegram has not yet been replied to. Throughout the whole course of this matter your Government has acted without our knowledge consent or concurrence and took complete charge of our police force and assumed the unquestionable functions of a provincial government. You and you alone have prevented this Government from fulfilling our

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constitutional responsibilities. If you now desire to publicly withdraw from that position and place us where we can assume our constitutional obligations kindly wire us accordingly.

"James G. Gardiner"

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CANADIAN NATIONAL TELEGRAM

1935 JUN 17 PM 8

REGINA, SASK 17 536P

Honourable H. Guthrie

Minister of Justice,

Ottawa, Ont.

Your telegram June sixteenth we understand you take full responsibility for concluding Ottawa marchers are trespassers and that you are instructing the mounted police to prevent further trespassing. This constitutes taking the right to instruct the police in matters of administering justice entirely out of our hands. In our opinion your action may result in causing a riot in this province endangering life and property. A letter just handed to the government by the police to the effect that preparation be made to read the Riot Act indicates you hold the same view. We protest your action as being unconstitutional and would state that your lack of action before these men left British Columbia to bring two forces to grips in Regina was bound to produce a riot in Saskatchewan. If the present orders are carried out we strongly protest this flouting of the constitutional rights of this province and would once more ask you to reconsider your position. Your appeal to us to cooperate in every way to protect lives and property as well as to maintain law and order has been rendered most difficult to comply with as you have taken unto yourself all the powers consigned to this Government under the B.N.A.Act to deal with such matters.

"James G. Gardiner"

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C150751

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CANADIAN NATIONAL TELEGRAPHS

Ottawa, Ont June 16th.

Hon. James G. Gardiner MLA

Premier, Regina, Sask.

Your telegram to Prime Minister has been handed to me for reply. May I point out that under terms of agreement of 1928 between Dominion and Province, general powers and authority of mounted police throughout Canada were not in any manner abbreviated or limited but continued as formerly. Under the terms pf.agreement the mounted police took on the additional duty of performing general police duty in Saskatchewan. Agreement specifically provides that mount police continue under Dominion cnntrol and in last clause of agreement specific provision is made respecting Dominion enactments. Both railways are Dominion incorporations operating under provisions of Dominion Railway Act and both have complained to Government of serious trespassing upon railway property with which railway police are unable to cope and both companies have requested assistance of mounted police to prevent further trespassing and to protect passengers and property. Mounted police have been ordered to assist railway police to this end. In opinion of law officers Department of Justice Dominion Government has complete authority over mounted police in the circumstances and has given orders as above. Estevan strike to which you refer was an entirely different matter. It was riot over labour difficulty and there is no analogy between the two incidents. Trust your Government will co-operate in every way to protect lives and property upon railways as well as to maintain law and order.

"H. Guthrie"

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CANADIAN NATIONAL TELEGRAPHS

Hon. James G. Gardiner
Premier of Saskatchewan,
Regina, Sask.

Ottawa, June 15, 1935

Have referred your telegram todays date to Minister of Justice.

"R. B. Bennett"

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C150753

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[redacted] 17

CANADIAN NATIONAL TELEGRAm

Regina, Saskatchewan, June 15, 1935.

Rt. Hon. R. B. Bennett,
Prime Minister of Canada,
Ottawa, Ontario.

Provincial Government in position to handle situation in its relation to the administration of justice which has developed as a result of marchers passing through this Province. Confusion existing in minds of officers of Royal Canadian Mounted Police and Railways re authority as a result of orders issued from Ottawa may result in difficulties which may be serious would ask Ottawa to withdraw orders affecting the administration of justice in this Province and await a request for action from this Government. Should it be necessary to advance one suggest you peruse letter Minister of Justice to Wilfrid Heffernan May twenty-first 1932 relative to Estevan disturbance.

James G. Gardiner.

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C150754 18

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CANADIAN NATIONAL TELEGRAM

GGB 109

REGINA SASK JUNE 15 1935 109P

Rt. HON. R. B. BENNETT
PRIME MINISTER OF CANADA
OTTAWA ONT.

Provincial Government in position to handle situation in the relation to the administration of justice which has developed as a result of marchers passing through this province. Confusion existing in minds of officers of RoyalmCanadian Mounted Police and railways re authority as result of orders issued from Ottawa may result in difficulties which may be serious. Would ask Ottawa to withdraw orders affecting the administration of justice in this province and await a request for action from this Government should it be necessary to advance one suggest you peruse letter Minister of Justice to Wilfrid Heffernan May twenty-first 1932 relative to Estevan disturbance.

"James G. Gardiner

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CAN. NAT. TELEGRAM

June 13, 1935 p.m. 1 08

Regina, Sask.

Rt. Hon. R. B. Bennett,
Prime Minister of Canada,
Ottawa, Ont.

I have full information re movement of trains and facilities provided these men to reach Regina. I have also information re your meeting in Ottawa Tuesday. If there is any trouble while these outsiders are in Saskatchewan we will hold you responsible. We would ask you and all others concerned to provide the same facilities to take these men out of Saskatchewan as were provided to get them out of the City of Calgary and into Saskatchewan.

James G. Gardiner.

EARNSCLIFFE
LINEN BOND
MADE IN CANADA

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CAN. NAT. TELEGRAPHS

Ottawa, June 13, 1935

Hon. James G. Gardiner,
Premier,
Regina, Sask.

Your wire. Apparently you are misinformed. I am advised railway solicitors have placed matters fully before your Attorney General for the purpose of having the law regarding trespassers on railways and railway property enforced.

R. B. Bennett.

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C150757 21

COPY

CAN. NAT. TELEGRAM

1935 June 12 p.m. 2 19

Regina, Sask.

Rt. Hon. R. B. Bennett,
Prime Minister of Canada,
Ottawa, Ont.

Am informed Ottawa has issued orders without consulting provincial government that Ottawa marchers from British Columbia and Alberta are to be prevented from passing out of this province by the means they were permitted to enter. We object to police force which acts in matters of law enforcement under instructions of this Government being used for any such purpose and will so instruct them. C.P.R. delivered these men in Saskatchewan en route to Ottawa and we expect them to carry them through.

James G. Gardiner.

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C150758

22

[redacted]

COPY

CAN. NAT. TELEGRAM

Regina, Sask. 1935 June 12 p.m. 7 58

Rt. Hon. R. B. Bennett,
Prime Minister of Canada,
Ottawa, Ont.

Your wire re marchers our understanding these marchers not trespassers. Our information is cars have been provided them by railway they have done nothing in this province warranting police action. This has nothing to do with usual unlawful travel which we are prepared to cooperate with railways in stopping.

James G. Gardiner.

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CAN. PAC. TELEGRAPHS

Hon. Premier Gardiner,

Regina, Sask. Ottawa, Ont., June 12th.

Your wire re marchers received. Understand both railways are forwarding request to you for assistance to stop unlawful travel by trespassers upon their lines eastward. Stop. Mounted police have been asked to assist in this work. In my opinion continued unlawful use of railways should be stopped and assume that you will cooperate to this end.

R. B. Bennett.

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Coll - Unemployment policy

[redacted]

C150760

Numbers of Unemployed

Prime Minister's Estimate - Sept. 1930	-	117,000
(Hansard p. 64 - Sept. 10, 1930)		
Census Estimate as at June 1, 1931	-	392,809
(Bureau of Statistics Bulletin "Wage Earners at Work and Not at Work, June 1, 1931" - p.3)		
Prime Minister's Figure for 1933	-	783,000
(Radio Speech, Sept. 9, 1935)		
Prime Minister's Figure for Sept. 1935	-	500,000
(Radio Speech, Sept. 9, 1935; "Unemployment.....is now under 500,000")		

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E. A. Pickering

Under Office.

Memo for reply to [redacted] Bennett re [redacted] in his radio speech Sep. 9, 1935.

C150761

Unemployment

On the subject of unemployment, Mr. Bennett has also made important admissions. He admits that the problem has been a vastly greater one than the government has ever before conceded, and for the first time has made a statement as to the numbers out of work. At the low point in 1933, there were, he says, 783,000 unemployed, and there are today almost half a million. The estimates made by myself and others, have, after all, erred on the side of understating the seriousness of the problem.

In the face of this situation, Mr. Bennett is compelled to admit his failure to end unemployment. But, with unemployment four times greater than it was when he made his promise, he hopes to escape the consequences, simply by making the promise all over again. Speaking, however, in the city of Quebec in 1930, he said that unless his promises were kept, he wanted Quebec and other members of his party to vote him out of office. They have not done so, but I think the people of Canada will, for at the rate the government has proceeded, another five years would see the numbers of unemployed, not reduced, but again multiplied by four.

As in his treatment of trade, so with unemployment, the note sounded by Mr. Bennett is one of discouragement and despair: prosperity is not forthcoming; we cannot look forward to recovery; and there is no immediate likelihood of general employment.

Sep. 13.

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C150762

How completely the Prime Minister admits defeat and the hopelessness of our situation, is revealed in his principal proposal for dealing with the unemployed. He now advocates, "as the only possible means by which the youth of the land can secure employment," a scheme of retirement of those already at work. In other words, the only way to provide work, is to take jobs from those who have them and give them to those who have not. It is not a measure to revive industry, but a proposal to redistribute what little employment there may be.

Mr. Bennett carefully refrained from giving the electorate any details of his plan. He does not say whether the scheme will be compulsory; whether it will apply to the farmer as well as the workingman, to the professional and white-collar classes, as well as the labourer. He does not indicate what retirement allowances will be provided, nor the cost of the scheme either to industry or to the State. In this way, it resembles his promises of 1930; the details are lacking, and the means by which the proposal will be carried into effect are not revealed.

Notwithstanding, there a few observations which must be made.

It is clear that the proposal will not solve the problem of unemployment. Mr. Bennett himself says it will provide jobs for only 120,000. What of the other 360,000, according to the

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C150763

Prime Minister's figures, who would still be without work? Apart from all other considerations, the scheme touches only the fringe of the problem. The plan is another of the restrictionist proposals which have characterized Mr. Bennett's administration. It is the logical development of the policy of economic nationalism and of the policy of scarcity. The first objective was to restrict or to prohibit trade. That successfully accomplished, the next objective was to restrict the production of commodities. Now, the objective is to restrict work itself, and the number of years during which a man may toil.

Like most of Mr. Bennett's proposals, the present one is not the result of discussion and agreement in the party caucus or at a party convention. In his own words, he says, "I have finally, in a sense reluctantly, but quite irrevocably determined on what we conceive to be the only practical solution." There is to be no opportunity for Parliament to discuss or decide the question. Industry itself is apparently to be given no chance to state its views. In a matter affecting the activity, the usefulness and the happiness of thousands of our people, the decision is made by "the leader" himself, with little or perhaps more correctly, no discussion even with his own colleagues. Once more it is the method of dictatorship, to which we have grown all too familiar in the past five years.

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The fact that a scheme of compulsory retirement could in all probability be enacted only by the provinces, does not prevent Mr. Bennett from bringing forward another proposal of doubtful validity, to add to the host of measures enacted at the past session, which eventually will have to be submitted to the courts.

Like much of the legislation introduced by Mr. Bennett, the effedt of the retirement scheme would be to set one element in the community against another. Mr. Bennett takes it upon himself arbitrarily to say that a man's usefulness is over at sixty. This may, of course, be but a subtle way of eliminating certain of his political adversaries, including myself. One is also compelled to think Mr. Bennett has come to feel it would have been to the nation's good had his own services to the State been terminated five years ago. Apart from considerations of this kind, the proposal could not, however, be carried into effect without creating much bitterness and setting, in our land, youth against years.

Upon youth, moreover, would descend the responsibilities now carried by those they would displace. The burden of caring in part for those who today, though somewhat advanced in years, are able to meet obligations for themselves and their families, would be placed upon youth itself.

A generous, comprehensive scheme of retiring allowances would involve vast expenditures. Any other kind of scheme would

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C150765

[redacted]

simply be the dole in another form and putting on relief those who today are actually employed. If anything but a mere pittance is to be paid, where will the funds be obtained? Mr. Bennett should realize the necessity of answering this question by now. In 1931, I advised the government not to proceed with a large grant to the provinces for technical education until it could see where the money was coming from. The government persisted, but within three months it had to notify the provinces it could not carry out its undertaking. The Liberal party believes that before far-reaching measures of social reform can be introduced, the country must be able to afford them. In other words, as I said in a previous broadcast, recovery must precede reform.

What Canada needs today is not a scheme to redistribute the work we have, but policies which will revive trade and industry and thus bring new employment into being; policies similar to those which carried Canada out of depression into prosperity under Liberal rule in the years immediately following 1897 and 1922; policies which aim at the freeing of trade, the development of our basic industries, the lowering of the cost of living and the cost of government, the revival of business through stability of government and cooperation with industry.

The Liberal party does not contend that the policies it advocates will, overnight, restore trade and revive industry. There

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is altogether too much of that reckless kind of assertion in our public life in recent years, and altogether too much of it in the present campaign. In the very nature of things, long-range policies require time to produce the desired results. They must, therefore, be supplemented by immediate measures to relieve present distress. As I have stated throughout the past five years, the Liberal party proposes, if returned to power, to establish a representative national commission to coordinate all efforts at affording relief and providing employment. The objective, however, will be to provide new additional employment by means of useful works and services, not by parcelling out among the unemployed, jobs to be taken away from those who enjoy them at the present time.

Mr. Bennett apparently, has just made the discovery, that in modern industry, seasonal and technological unemployment are unavoidable. That, of course, is nothing new. It is a condition which has existed in greater or less degree, ever since the Industrial Revolution, and to meet which, unemployment insurance has been devised. The unemployment insurance scheme enacted at the last session of Parliament, on the eve of the general election, instead of three or four years before, as the interests of the country and of labour demanded, is of doubtful validity, like most of the so-called social reform legislation.

The Liberal party, if returned to power, proposes to submit the measure to the Courts, to remove doubt on this score.

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If the Courts reject it, the necessary steps will be taken to ensure the enactment of a properly constituted measure. It will also seek to extend, as rapidly as the financial condition of the nation allows, the provisions of the measure to embrace a broad scheme of social insurance generally, including national old age pensions and health insurance. What progress can be made in this way towards relieving labour of the many haunting fears which beset it today, depends upon the extent and rapidity with which the trade and industry of the country are revived.

Recovery, in our view, is possible only through the application of policies of freedom and stability. It can never be obtained through reactionary policies of restriction and restraint.

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Notes re Govt. Attitude to Recent [redacted] May/36

re Unemployment C150768

Government took office at time of unprecedented difficulty and danger -

Problems of trade, finance, external affairs;

additional problem - unemployment -

made greater by way handled in past five years;

stands in way of national reconstruction.

Effect on youth -

has dislocated almost every aspect of national life;

particularly severe on young men and women -

many in late 20's have never worked -

losing desire to work;

demoralizing effect -

ambition;

morals - marvel fibre of youth has withstood so well;

older people have resources, physical or spiritual, on which to fall back.

Conservative Record -

destruction of trade, from which employment flows;

effort to conceal the facts;

no concerted scheme -

hit and miss methods;

one plan one month, different, the next;

no national long-range planning.

no co-ordination of effort -

Minister of Labour left to do everything;

Suggestion of Commission made by Opposition, and turned down every year;

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no attempt to obtain continuous co-operation of bodies interested:

vast expenditures -

encouraged municipalities and provinces to build public works;

no supervision or audit -

overlapping, waste;
blank cheque - unnamed amounts led to colossal expenditures;
federal expenditures, Sept. 1930 - Nov. 1,1935 = 192,000,000;

estimate of total federal, provincial and municipal expenditures = $503,000,000

loans and guarantees also;

contributed to serious financial position of country.

dictatorship -

used emergency as pretext to take extraordinary powers;

led to inefficiency and ill-will.

Liberal Attitude -

Unemployment Canada's most urgent national problem;

trade and industrial revival necessary to employment -

long-range policies;

facts should be fully revealed and problem seen in true perspective;

problem should be dealt with by a National Employment Commission -

to co-operate with provinces, municipalities, private organizations;

to achieve nation-wide co-operative effort to supervise relief and obtain employment.

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CANADA

[redacted]

Liberal Record re Unemployment since October 23rd, 1935.- C150770

Trade - (Long-Range policies)

immediately set about rescuing Canada's trade;

U.S. Agreement, signed 23 days after taking office;

Settlement with Japan, effected 2 months, 3 days, after taking office;

Budget Reductions on Tariff;

Preparation for other negotiations.

Dominion-Provincial Conference -

Provinces approved creation of Commission;

Government increased grant to aid municipalities.

Legislation 1936 Session - (Immediate Measures) :

1. Special Supplementary Estimates - (fiscal years 1936-37)

provides funds -

a. to be granted provinces for direct relief; ($26,000,000)

b. to be spent by Dominion in projects to create employment; ($59,000,000)

2. Unemployment Relief and Assistance Act, 1936:

a. gives Government power -

(i) to execute works and undertakings out of moneys appropriated by Parliament;

(ii) to enter into Agreements with provinces and other bodies to make payments out of moneys appropriated by Parliament;

b. abolishes dictatorial features of previous Acts -

(i) ~~no~~ "blank cheque", or "Peace, order and good government" provision of previous relief legislation allowed to expire

~~(ii) Agreements must be approved by H. of C.~~

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C150771

3. National Employment Commission Act:

provides Government with special body to assist it in expending funds and discharging powers obtained from two above Acts;

powers and duties of Commission -

recommend schemes and plans to Government;

" conditions re grants, and methods for proper audit, etc.;

supervise funds and perform administrative duties assigned;

Government not transferring its responsibilities to Commission-

Commission to advise and recommend -

Government to decide policy;

Commission to administer specific tasks entrusted by Government;

a special body created to help deal with unprecedented situation.

co-operative and co-ordinating effort -

problem too great for one Government -

secure co-operationg of Dominion, Provincial and municipal Governments;

problem too great for Governments, combined -

secure co-operation of private organizations and people as a whole;

will seek to enlist intelligent enthusiasm of all partners in society -

men and women,

young and old,

all sections, classes, etc.

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C150772

Inter-relation of Government's measures -

A Trilogy -

3 Acts an integral part of comprehensive programme -

must be read together;

1st provides funds;

2nd " authority and means for this expenditure;

3rd " Government with adequate assistance in expending funds and in dealing with whole problem.

Lost Opportunities of past five years -

expenditures only;

no records kept, or figures available;

no technique or procedure established;

increase of unemployment and relief;

no co-related plan of public improvement or national development;

depletion of national spirit, as well as exchequer.

Hope for Future -

recognize problem would have existed throughout past five years regardless of method of dealing with it;

believe if applied five years ago many mistakes avoided and problem would not have grown to gigantic proportions;

Liberal trade policies and sanity in administration, leading to revival, fundamental to employment;

advantages of Liberal immediate measures -

public and Parliament to be in full possession of facts - publicity;

financial commitments to be limited and controlled by Parliament - check on expenditure;

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C150773

funds to be expended by provinces and with adequate safeguards and supervision;

projects on which funds to be spent to be determined by careful investigation;

emphasis not on spending only - but on re-absorbing into industrial activity;-

concentration of all resources of the nation on its most urgent problem;

believe will result in -

growing volume of employment in industry;

lessening need for state-aided employment;

decreasing relief rolls ;

lower taxation -

improved financial position;

restored fibre of the people;

something to show for effort and expenditure -

works which will be part of a rational and useful plan of national growth;

increased knowledge of and skill in dealing with social problems of all kind.

E. A. Pickering

May 17.

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PUBLIC ARCHIVES
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CANADA

[redacted] X-700
bl 5(b)

FOR THE PRIME MINISTER

C150074

FOR COUNCIL:

SUBJECT: re printed card urging use of finance to end unemployment without taxation.

REMARKS: Prime Minister wishes to mention in Council.

CONSIDERED BY COUNCIL:

ACTION TAKEN:

DISPOSED OF:

(June 1936)

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CANADA

Council

Dear Sir:— [redacted]

As Prime Minister of this country I feel it is your duty to end unemployment immediately.

C150775

The tragic and demoralizing situation of the past sevan years demand that you take over the complete control of the finance of our country, so that you may give useful employment to all without increasing the burden of taxation.

By this means alone can you raise the standard of living and keep your election pledge.

If you have the courage to act, all Canada will stand behind you.

Name Glenton Joseph

Street 46 Clovelly Ave

City York Township

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(M.G. 26, J 4, volume 221, pages C150386-C151101)

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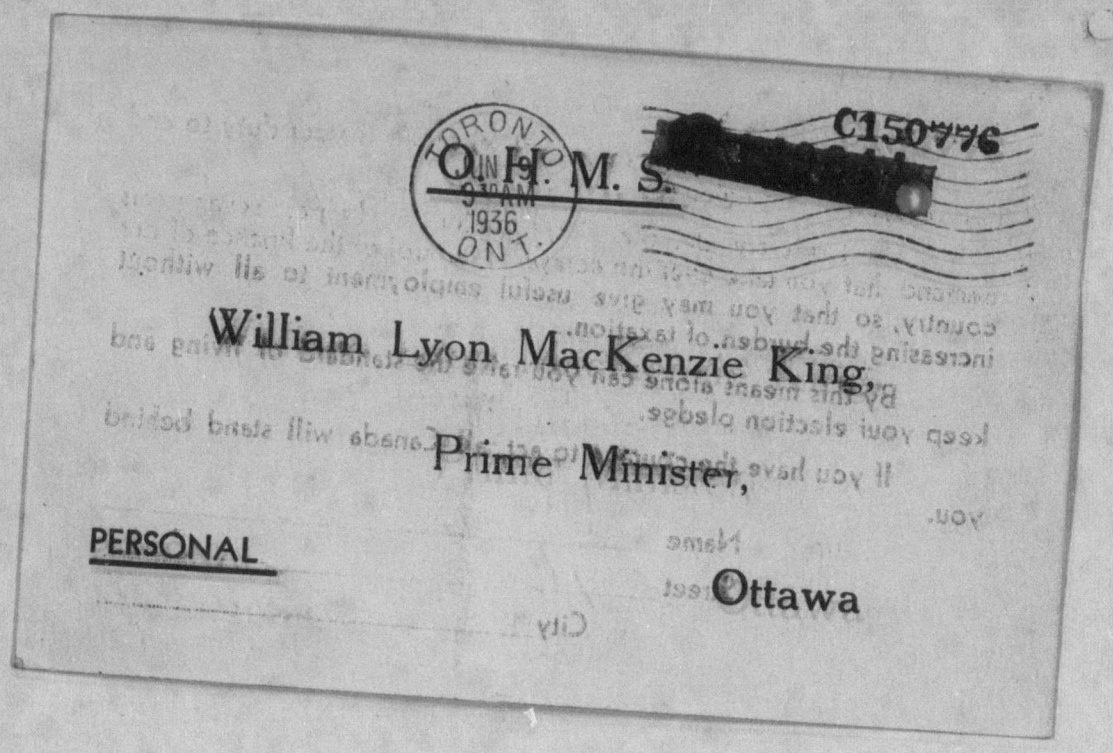

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CANADA

[redacted]

Immigration
Railways C150777

OFFICE OF THE PRIME MINISTER
CANADA

MEMORANDUM FOR MR. KING

Re: Mr. A. B. Damude's letter of May 30th, asking for consideration of the Montrose Yard controversy.

1. The delay in presenting this memorandum has been caused by the fact that Mr. Howe's department has been so busy on work connected with the various measures before Parliament.

2. As the papers herewith show, the Michigan Central Railroad, operating a line through Canada from Windsor to Niagara Falls, in 1932 transferred part of the work of its Montrose, Ontario, yards (two and a half miles from Niagara Falls) to United States points, thereby throwing out of employment a number of Canadian workmen, variously estimated at from 70 to 200. An appeal by the men and the City of Niagara Falls was at that time made to the Board of Railway Commissioners and was rejected by Order of July 22nd, 1932. A review was taken by the Governor in Council and the decision of the Board upheld (P.C. 635, April 4, 1933.)

3. Mr. Damude states that the men ask for an opportunity to again present the whole case to a committee or to the Railway Board. The view of the departmental officials seems to be that the same result would follow, not only on technical grounds but on general grounds of economical administration complicated by the immigration situation.

4. The question then is, should the government feel bound by the decision of the Board in 1932 and the Governor in Council in 1933. Because of the considerations in No. 3, above, false hopes may be roused by the granting of a new hearing, but on the other hand a refusal to grant such a hearing might seem to violate the rules of fair play and what may have been a partial promise on the part of Mr. Damude or others during the election campaign.

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C150778

5. If I may venture to do so, I would suggest that the needs of the situation might be met by having a committee of the men meet with the Hon. Mr. Howe as soon as possible after the close of the session, this meeting to take place in or near Niagara Falls at such time as the Minister may be in that vicinity. An intimation to the men that this will be done should satisfy them that full consideration is being given to them.

6. Mr. Damude has been absent from the city for a number of days, but today, when giving him your message in regard to the Peace Bridge Commission, I took the liberty of mentioning this case and explained that there had been a delay because of the desire to have all the facts on hand. He quite appreciates this and the extreme pressure of your duties.

7. Is it your desire that the case be further taken up with Mr. Howe, along the lines suggested in No. 5, above, and a letter prepared for Mr. Damude, or do you wish to deal with this when you speak to Mr. Damude?

W.J.T.

Ottawa, June 11, 1936.

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OFFICE OF THE PRIME MINISTER

MEMORANDUM for Mr. King

C150779

The unemployment disturbances have become quite widespread in the last few days. I attach a summary based on press clippings, and two statements by Premier Hepburn.

E. A. P.

July 11, 1936

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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C150780

[redacted]

Demonstrations by Unemployed

as reported in press - July 1936

Medicine Hat, Alta.
July 3rd.

Wives and children of the unemployed took possession of the City Hall Chamber and remained there for seven hours until agreement was reached to hold a Special Council meeting next day. Council later agreed to the old rate of 30¢ per hour, although the demand was for 40 cents.

Edmonton, Alta.
July 6th.

About one thousand single unemployed men marched to the Government Buildings and pushed their way in, taking possession of three floors. There were no disorders, but they refused to leave until "they received some redress". They want cash relief - currency or scrip, and the right to eat in restaurants of their own choosing.

(The Toronto Telegram 7/7/36)

Winnipeg, Man.
July 6th.

Three hundred men picketed the Legislative Buildings as part of their campaign to force Premier Bracken to receive a delegation. Premier Bracken is out of the city.

(Winnipeg Tribune, 6/7/36)

Jameson, Sask.
July 7th.

Railway Camp Strike. A gang of thirty workers strike, making demands for better quality food.

(The Regina Leader-Post, 7/7/36)

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C150781

Toronto, Ont.
July 6th.

York Township. Two thousand relief strikers imprisoned the reeve and relief officials in the Relief Office for six hours. After riotous scenes the Council capitulated and granted the scale as of May 31st.

Mr. Croll has since issued a statement to the municipalities of the province that "if relief standards are to be raised it must be at the expense of the taxpayers of the municipalities themselves".

Riotous scenes were enacted at an eviction on Woodbine Avenue, in a clash between police and a crowd of men, women and children. The "Telegram" has a very fair editorial on the incident, headed, "Anarchy seeks to prevail against law".

(Toronto Globe, 8/7/36)

Mimico, Ont.
July 7th.

Relief strikers of the Lake Shore district succeeded in persuading half a dozen relief project workers to strike. Council decided to give its decision on their demands for higher standards of relief within twenty-four hours.

(Toronto Telegram, 7/7/36)

Long Branch, Ont.
July 7th.

Deputation of relief recipients presented demands to Council for wages on the 1935 standard.

Attached is clipping from Ottawa Citizen (C.P.) with a statement from Mr. Hepburn with reference to the ten per cent reduction in federal relief contributions.

July 10, 1936.

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Collateral - Unemployment

Information note [redacted]
in Room 243.

C150782

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vol. 20

DEPARTMENT OF
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CANADA

ADDRESS ALL
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DOMINION BUREAU OF STATISTICS

OTTAWA,

CANADA

October 28, 1936

E. A. Pickering, Esq.,
Prime Minister's Office,
Ottawa, Ontario.

Dear Sir:

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

Month	No. Wage-earners (000's omitted)	No. Wage-earners Employed (000's omitted)	No. Wage-earners Unemployed (000's omitted)	P.C. Wage-earners Unemployed
August 31	2,735	2,289	446	16.3
September 30	2,761	2,352	409	14.8

Yours sincerely.

M. C. MacLean

M.C. MacLean,
Chief of Census Analysis.

MCM:W.

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Coll- Unemployment
Information noted in records in
Room 243 [redacted]
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Vol. 20

DEPARTMENT OF
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OTTAWA

DOMINION BUREAU OF STATISTICS C150783

OTTAWA,

CANADA

E. A. Pickering, Esq.,
Prime Minister's Office,
Ottawa, Ontario.

Dear Sir:

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

Month	No. Wage-earners (000) omitted	No. Wage-earners Employed (000)	No. Wage-earners Unemployed (000)	P.C. Wage-earners Unemployed
August 31	2,735	2,289	446	16.3

Yours sincerely,

M.C. MacLean

M.C. MacLean,
Chief of Census Analysis.

MCM:W.

SEP 25 1936

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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CANADA

Nos. of unemployed File Room

Coll- Unemployment
[redacted]
VI-20

C150784

Ottawa, June 11th, 1936.

M. C. MacLean, Esq.,
Chief of Census Analysis,
Dominion Bureau of Statistics,
Ottawa.

Dear Mr. MacLean:

I wish to thank you for your letter of June the tenth containing the latest unemployment estimates.

Yours very truly,

Edward A. Pickering
Assistant Private Secretary.

EAP/MGR

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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PUBLIC ARCHIVES
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CANADA

Dear Sir:—

As Prime Mi ister of this country I feel it is your duty to end unemployment imm diately.

C150785

The tragic and demoralizing situation of the past sevan years demand that you take over the complete control of the finance of our country, so that you may give useful employment to all without increasing the burden of taxation.

By this means alone can you raise the standard of living and keep your election pledge.

If you have the courage to act, all Canada will stand behind you.

Name Clarence Lambert
Street 615 Erie st East
City Windsor
Ontario

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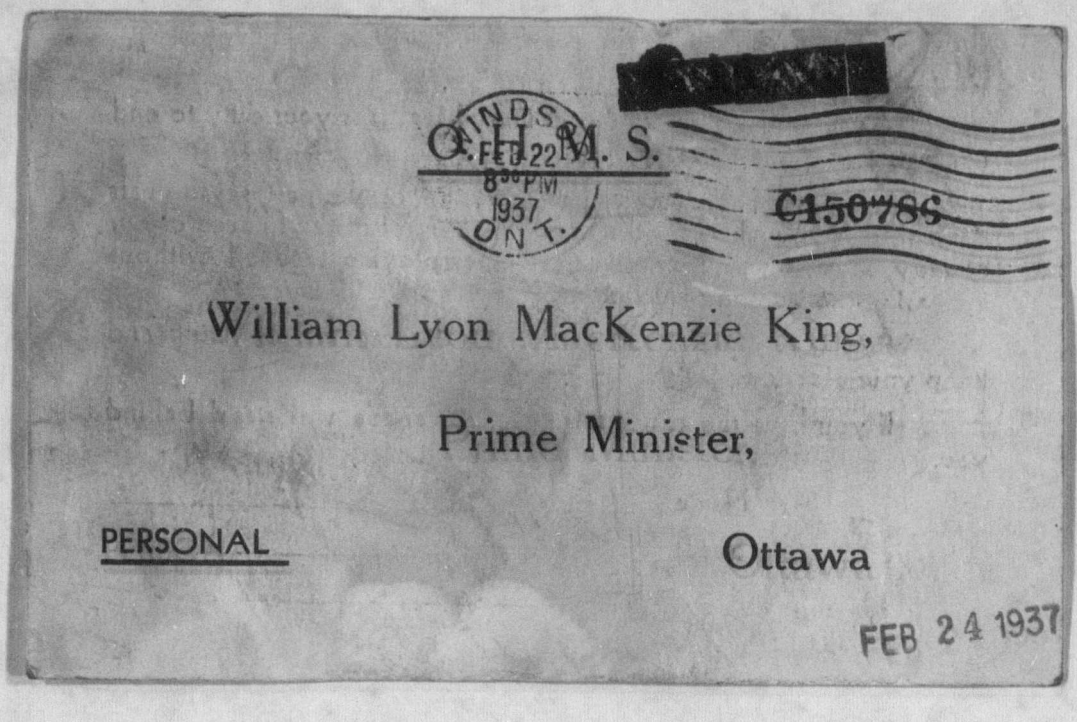

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Collateral - Unemployment

DEPARTMENT OF TRADE AND COMMERCE

CANADA

DOMINION BUREAU OF STATISTICS

GENERAL STATISTICS BRANCH

OTTAWA

IN YOUR REPLY REFER TO Employment Statistics

AND QUOTE

FILE No.....

C150787

March 1, 1937.

Dear Mr. Fredenburgh,-

In accordance with the arrangement made Friday evening, I enclose a table showing the seasonally-corrected indexes of employment as at February 1 in the years 1926-1937, replacing the statement of crude index numbers furnished in recent months.

As you are aware, the seasonal adjustment is more for the purpose of facilitating comparison between consecutive or other months of any year, than between the same month of different years. As it seems possible that the more generally quoted unadjusted index might also be of value in your studies, we have prepared an alternative table showing both crude and corrected index numbers. If you will let us know which of these tables you prefer for future months, we shall be glad to arrange accordingly.

Yours very truly,

M. S. K. Roughsedge

Employment Statistics.

R. L. Fredenburgh, Esq.,
Prime Minister's Office,
House of Commons,
O t t a w a.

R/E

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CANADA

Coll- [redacted]

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Vl.20

C150788

Ottawa, March 2nd, 1937.

Miss M. E. K. Roughsedge,
Employment Statistics,
Dominion Bureau of Statistics,
Ottawa, Ontario.

Dear Miss Roughsedge:

I wish to thank you for your letter of March the 1st, and for the tables regarding employment which accompanied it.

As the table showing only the seasonally-adjusted index contains the required information, it would be appreciated if you would furnish this office, each month, with a similar statement.

Yours very truly,

~~W. L. Mackenzie King~~

R. L. FREDENBURGH
Jr.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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CANADA

File Room

Col. Unemployment
[redacted]
vt. 20

C150789.

~~August 16, 1937.~~
Dec. 31, 1937.

Miss A. Walker,
Prime Minister's Office,
Centre Block,
Ottawa, Ontario.

Dear Madam;-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

Month	No. Wage-earners	No. Wage-earners Employed	No. Wage-earners Unemployed	P.C. Wage-earners Unemployed
Nov.	2897	2596	301	10.4

Sincerely yours,

M. C. MacLean

M. C. MacLean,
Chief of Social Analysis

/BC

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C150790 Coll - Unemployment

[redacted]

DEPARTMENT OF TRADE AND COMMERCE

CANADA

DOMINION BUREAU OF STATISTICS

GENERAL STATISTICS BRANCH

OTTAWA

Employment Statistics

AND QUOTE

FILE No.

Fyle Room statement fyled in room

H-100
W-20

Dec. 27, 1937.

Dear Mr. Fredenburgh,-

I enclose the usual table showing for the latest month (December 1, 1937) the seasonally-adjusted index number of employment for the Dominion.

Yours very truly,

M. E. K. Roughsedge

Employment Statistics.

R. L. Fredenburgh, Esq.,
Prime Minister's Office,
House of Commons,
Ottawa.

R/E

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CANADA

Coll-Unemployment
[redacted]

C150791

Fyle Room

~~August 16, 1937.~~
Dec. 8, 1937.

Miss A. Walker,
Prime Minister's Office,
Centre Block,
Ottawa, Ontario.

Dear Madam;-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

(000's omitted)

Month	No. Wage-earners	No. Wage-earners Employed	No. Wage-earners Unemployed	P.C. Wage-earners Unemployed
Oct. 31, 1937	2903	2668	235	8.1

Sincerely yours,

M. C. MacLean

M. C. MacLean,
Chief of Social Analysis

/BC

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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Coll - Unemployment

DEPARTMENT OF TRADE AND COMMERCE

CANADA

DOMINION BUREAU OF STATISTICS

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OTTAWA

IN [redacted] Employment Statistics

AND QUOTE

FILE No. C150792

Tyle Room. Statement in room 2-3.

October 28, 1937.

Dear Mr. Fredenburgh,-

I enclose the usual table showing for the latest month (October 1, 1937) the seasonally-adjusted index number of employment for the Dominion.

Yours very truly,

M. E. K. Roughsedge

Employment Statistics.

R. L. Fredenburgh, Esq.,
Prime Minister's Office,
House of Commons,
Ottawa.

R/E

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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DEPARTMENT OF
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OTTAWA

Hyde Room

DOMINION BUREAU OF STATISTICS C150793

OTTAWA,

CANADA

October 25, 1937

Miss A. Walker,
Prime Minister's Office,
Centre Block,
OTTAWA, Ontario.

Dear Madam:-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

(000's omitted)

Month	No. Wage-earners	No. Wage-earners Employed	No. Wage-earners Unemployed	P.C. Wage-earners Unemployed
September 30, 1937	2,899	2,676	223	7.7

Sincerely yours,

M. C. MacLean

M. C. MacLean,
Chief of Social Analysis

/AG.

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DEPARTMENT OF TRADE AND COMMERCE

CANADA

DOMINION BUREAU OF STATISTICS

GENERAL STATISTICS BRANCH

OTTAWA

Employment Statistics

AND QUOTE

FILE No. C150794

H-100
Vt. 20

Fyle Room

Aug. 28, 1937.

Dear Mr. Fredenburgh,-

I enclose the usual table showing for the latestmonth (August 1, 1937) the seasonally-adjusted index number of employment for the Dominion; this is unchanged from the July figure.

Yours very truly,

M. E. K. Roughsedge

Employment Statistics.

R. L. Fredenburgh, Esq.,
Prime Minister's Office,
House of Commons,
O t t a w a.

R/E

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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DEPARTMENT OF
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OTTAWA

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DOMINION BUREAU OF STATISTICS C150795

OTTAWA,

CANADA

August 28, 1937.

Miss A. Walker,
Prime Minister's Office,
Centre Block,
Ottawa, Ontario.

Dear Madam;-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

Month	No. Wage-earners	No. Wage-earners Employed (000's omitted)	No. Wage-earners Unemployed	P.C. Wage-earners Unemployed
July 31, 1937	2861	2,561	300	10.5

Statement noted in 243. G.

Sincerely yours,

M. C. MacLean (per a.m.f.)

M. C. MacLean,
Chief of Social Analysis

/BC

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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Coll-Unemployment

[redacted]

C150786

Style Room

August 16, 1937.

Miss A. Walker,
Prime Minister's Office,
Centre Block,
Ottawa, Ontario.

Dear Madam:-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

(000's omitted)

Month	No. Wage-earners	No. Wage-earners Employed	No. Wage-earners Unemployed	P.C. Wage-earners Unemployed
June 30, 1937	2,850	2,542	308	10.8

Sincerely yours,

M. C. Maclean (per A.M.F.)

M. C. MacLean,
Chief of Social Analysis

/BC

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DOMINION STATISTICIAN
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DOMINION BUREAU OF STATISTICS

C150797

/ED

OTTAWA,

CANADA

Gyle Room

July 14, 1937

Miss A. Walker,
Prime Minister's Office,
Centre Block,
Ottawa, Ontario.

Dear Miss Walker:-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

Month	No. Wage-earners (000)	No. Wage-earners Employed (000)	No. Wage-earners Unemployed (000)	P.C. Wage-earners Unemployed
March 31, 1937	2,733	2,214	519	19.0
April 30, 1937	2,764	2,283	481	17.4
May 31, 1937	2,819	2,444	375	13.3

Sincerely yours,

M. C. MacLean

M. C. MacLean,
Chief of Social Analysis.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
(M.G. 26, J 4, volume 221, pages C150386-C151101)

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Coll - Unemployment
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DEPARTMENT OF
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CANADA

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DOMINION STATISTICIAN
OTTAWA

DOMINION BUREAU OF STATISTICS

C150798

/ED

Fyle Room

OTTAWA,

CANADA

June 23, 1937

Miss A. Walker,
Prime Minister's Office,
Centre Block,
Ottawa, Ontario.

Dear Miss Walker:-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

Month	No. Wage-earners	No. Wage-earners Employed	No. Wage-earners Unemployed	P.C. Wage-earners Unemployed
May, 1937	2,819	2,444	375	13.3
May, 1936	2,693	2,181	512	19.0

Sincerely yours,

M. C. MacLean

M. C. MacLean,
Chief of Social Analysis.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
(M.G. 26, J 4, volume 221, pages C150386-C151101)

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IN YOUR REPLY REFER TO Employment Statistics

AND QUOTE

FILE No. C150799

M-100
Vol. 20

DOMINION BUREAU OF STATISTICS

GENERAL STATISTICS BRANCH

OTTAWA

March 31, 1937.

Dear Mr. Pickering,-

Enclosed please find the table of seasonally-adjusted index numbers of employment for March 1, in accordance with your request of March 2, 1937.

Yours very truly,

M. E. K. Roughsedge

Employment Statistics.

Edward A. Pickering, Esq.,
Prime Minister's Office,
East Block,
Ottawa, Ont.

R/E

W.L.M. King Papers, Memoranda and Notes, 1933-1939
(M.G. 26, J 4, volume 221, pages C150386-C151101)

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NATIONAL EMPLOYMENT COMMISSION
COMMISSION NATIONALE DE PLACEMENT C150800

OTTAWA, December 16, 1937 193

MEMORANDUM RE SIGNIFICANCE OF REPORT ON REGISTRATION OF RECIPIENTS OF AID, TO WHICH THE DOMINION GOVERNMENT CONTRIBUTED, FOR THE MONTH OF SEPTEMBER, 1937:

(1) The total number of fully employable persons, both sexes, was 115,246 in September, 1937, a decrease of 28,499 from August, 1937, and of 91,177 from September a year before. Compared to September, 1936, each of the provinces, except Saskatchewan, showed a reduction in the number of fully employable persons on aid, in the case of Saskatchewan the increase being 3,121. Quebec showed a decrease of more than half and Ontario of approximately half in the year mentioned. The number of fully employable persons, in the registration year from September, 1936, to September, 1937, had risen to a peak of 260,393 in February, from which point it dropped to the 115,246 previously mentioned in September, 1937.

(2) The figure for all persons in receipt of material aid (other than resident farm operators and their dependents) stood at 707,293 in September, 1936, this total including fully employable persons, unemployable and non-worker type dependents. The peak for the year between the two Septembers was reached in February, when the figure was 879,283; this total had dropped to 449,444 by September, 1937.

(3) Resident farm operators (i.e., farmers) and all classes of their dependents on aid were reported at 248,327 in

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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NATIONAL EMPLOYMENT COMMISSION
COMMISSION NATIONALE DE PLACEMENT

C150801

OTTAWA,.....193.....

MEMORANDUM

September, 1936. This figure rose to a peak for the year of 330,759 in March, 1937, declining to 229,372 in July, 1937, and rising to 303,270 in September, 1937. The course of this figure has been influenced largely by the numbers on aid in the Province of Saskatchewan. Of the total of 248,327 Saskatchewan contributed 130,394 in September, 1936, but of the total of 303,270 Saskatchewan contributed 269,601 in September, 1937. Thus it will be seen that in comparing the two Septembers agricultural aid had diminished sharply in provinces other than Saskatchewan, and that it had risen even more sharply in that one province.

(4) The grand total of all persons on aid, to which the Dominion Government contributed, rose from 955,620 in September, 1936, to a peak of 1,208,902 in March, 1937, and declined to a low mark of 748,568 in August, 1937, although the following month, September, showed only a very small increase to 752,714, the increase being caused entirely by the increase of persons on agricultural relief in Saskatchewan.

(5) Early approximations from the registration for October showed a slight increase in fully employable persons on aid to 119,000, though this figure was 44.4 per cent less than that for October, 1936. The total number of persons (exclusive

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NATIONAL EMPLOYMENT COMMISSION
COMMISSION NATIONALE DE PLACEMENT

C150802

OTTAWA, ...193.....

MEMORANDUM

of resident farm operators and their dependents) on aid in October is indicated to be 464,000, an increase of 5.6 per cent from September, but 36.3 per cent decrease from October, 1936. The figure on agricultural aid in October appears to have risen to 331,000, of whom 89.4 per cent were located in Saskatchewan.

D. of R.

VCP/MON

W.L.M. King Papers, Memoranda and Notes, 1933-1939
(M.G. 26, J 4, volume 221, pages C150386-C151101)

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NATIONAL EMPLOYMENT COMMISSION
COMMISSION NATIONALE DE PLACEMENT C150803

OTTAWA, December 16, 1937 193

MEMORANDUM RE SIGNIFICANCE OF REPORT ON REGISTRATION OF RECIPIENTS OF AID, TO WHICH THE DOMINION GOVERNMENT CONTRIBUTED, FOR THE MONTH OF SEPTEMBER, 1937:

(1) The total number of fully employable persons, both sexes, was 115,246 in September, 1937, a decrease of 28,499 from August, 1937, and of 91,177 from September a year before. Compared to September, 1936, each of the provinces, except Saskatchewan, showed a reduction in the number of fully employable persons on aid, in the case of Saskatchewan the increase being 3,121. Quebec showed a decrease of more than half and Ontario of approximately half in the year mentioned. The number of fully employable persons, in the registration year from September, 1936, to September, 1937, had risen to a peak of 260,393 in February, from which point it dropped to the 115,246 previously mentioned in September, 1937.

(2) The figure for all persons in receipt of material aid (other than resident farm operators and their dependents) stood at 707,293 in September, 1936, this total including fully employable persons, unemployable and non-worker type dependents. The peak for the year between the two Septembers was reached in February, when the figure was 879,283; this total had dropped to 449,444 by September, 1937.

(3) Resident farm operators (i.e., farmers) and all classes of their dependents on aid were reported at 248,327 in

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C150804

NATIONAL EMPLOYMENT COMMISSION
COMMISSION NATIONALE DE PLACEMENT

OTTAWA,.....193.....

MEMORANDUM

September, 1936. This figure rose to a peak for the year of 330,759 in March, 1937, declining to 229,372 in July, 1937, and rising to 303,270 in September, 1937. The course of this figure has been influenced largely by the numbers on aid in the Province of Saskatchewan. Of the total of 248,327 Saskatchewan contributed 130,394 in September, 1936, but of the total of 303,270 Saskatchewan contributed 269,601 in September, 1937. Thus it will be seen that in comparing the two Septembers agricultural aid had diminished sharply in provinces other than Saskatchewan, and that it had risen even more sharply in that one province.

(4) The grand total of all persons on aid, to which the Dominion Government contributed, rose from 955,620 in September, 1936, to a peak of 1,208,902 in March, 1937, and declined to a low mark of 748,568 in August, 1937, although the following month, September, showed only a very small increase to 752,714, the increase being caused entirely by the increase of persons on agricultural relief in Saskatchewan.

(5) Early approximations from the registration for October showed a slight increase in fully employable persons on aid to 119,000, though this figure was 44.4 per cent less than that for October, 1936. The total number of persons (exclusive

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NATIONAL EMPLOYMENT COMMISSION
COMMISSION NATIONALE DE PLACEMENT

C150805

OTTAWA, ... 193.....

MEMORANDUM

of resident farm operators and their dependents) on aid in October is indicated to be 464,000, an increase of 5.6 per cent from September, but 36.3 per cent decrease from October, 1936. The figure on agricultural aid in October appears to have risen to 331,000, of whom 89.4 per cent were located in Saskatchewan.

D. of R.

VCP/MON

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Coll - unemployment policy #7

[redacted]

C150806

Note on Unemployment

Persons receiving direct relief (including dependents),

November 1938 (latest available figures) - 802,786

(Lowest figure for any November in last seven years.)

Compare with November, 1933 - 1,128,795

Estimate of unemployment in Canada:
(persons idle for any cause)

November	1938	398,000
March	1938 (high for year)	456,000
September	1938 (low for year)	346,000
February	1933 (8 year high)	713,000

N.B. These estimates of total unemployment never published officially.

Seasonally adjusted index of employment in Canada:
(representative figures at December 1st in each year)

1930 - 106.0

1932 - 81.3

1934 - 96.6

1936 - 107.5

1938 - 111.3

Note - all of the above figures are obtained from the Dominion Bureau of Statistics

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Collaterals - Unemployment

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DEPARTMENT OF TRADE AND COMMERCE

CANADA

DOMINION BUREAU OF STATISTICS

GENERAL STATISTICS BRANCH

OTTAWA

IN YOUR REPLY REFER TO Employment Statistics

AND QUOTE

FILE No. C150807

Tyle Room

January 26, 1938.

Dear Mr. Fredenburgh,-

I enclose the usual table showing for the latest month (January 1, 1938) the seasonally-adjusted index number of employment for the Dominion.

Yours very truly,

M. E. K. Roughsedge

Employment Statistics.

R. L. Fredenburgh, Esq.,
Prime Minister's Office,
House of Commons,
Ottawa.

R/E

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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C150808

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OTTAWA

DOMINION BUREAU OF STATISTICS

OTTAWA, June 29, 1938

CANADA

Miss A. Walker,
Prime Minister's Office,
Ottawa.

Dear Madam,-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

(000's omitted

Month	No. Wage-earners	No. Wage-earners Employed	No. Wage-earners Unemployed	P. C. Wage-earners Unemployed
May	2704	2304	'400	14.8

Sincerely yours,

M. C. MacLean

M. C. MacLean
Chief, Social Analysis Branch

W.L.M. King Papers, Memoranda and Notes, 1933-1939
(M.G. 26, J 4, volume 221, pages C150386-C151101)

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DOMINION BUREAU OF STATISTICS C150809

OTTAWA,

CANADA

June 1, 1938

Miss A. Walker,
Prime Minister's Office,
Ottawa.

Dear Madam,-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

Month	No. Wage-earners	No. Wage-earners Employed	No. Wage-earners Unemployed	P. C. Wage-earners Unemployed
April	2649	2212	437	16.5

Sincerely yours,

M. C. MacLean

M. C. MacLean
Chief, Social Analysis Branch

W.L.M. King Papers, Memoranda and Notes, 1933-1939
(M.G. 26, J 4, volume 221, pages C150386-C151101)

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DEPARTMENT OF TRADE AND COMMERCE

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IN YOUR REPLY REFER TO Employment Statistics

AND QUOTE

FILE No. C150810

Tyle Room
statement in Rm. 243
G.

May 26, 1938.

Dear Mr. Fredenburgh,-

I enclose the usual table showing for the latest month (May 1, 1938) the seasonally-adjusted index number of employment for the Dominion.

Yours very truly,

M. E. K. Roughredge

Employment Statistics.

R. L. Fredenburgh, Esq.,
Prime Minister's Office,
House of Commons,
Ottawa.

R/E

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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DOMINION BUREAU OF STATISTICS C150811

Fyle Room.

OTTAWA,

CANADA

April 28, 1938

Miss A. Walker,
Prime Minister's Office,
Ottawa.

Dear Madam,-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

Month	No. Wage-earners	No. Wage-earners Employed	No. Wage-earners Unemployed	P. C. Wage-earners Unemployed
March	2619	2163	456	17.4

Sincerely yours,

M. C. MacLean

M. C. MacLean
Chief, Social Analysis Branch

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(M.G. 26, J 4, volume 221, pages C150386-C151101)

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IN YOUR REPLY REFER TO Employment Statistics

AND QUOTE

FILE No. C150812

4-700
vt. 20

Fyle Room
statement in
Room 243
Ls.

April 27, 1938.

Dear Mr. Fredenburgh,-

I enclose the usual table showing for the latest month (April 1, 1938) the seasonally-adjusted index number of employment for the Dominion.

Yours very truly,

M. E. K. Roughsedge

Employment Statistics.

R. L. Fredenburgh, Esq.,
Prime Minister's Office,
House of Commons,
Ottawa.

R/E

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CANADA

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GENERAL STATISTICS BRANCH

OTTAWA

IN Employment Statistics

AND QUOTE

FILE No. C150813

Statement in R. 23
ls.

March 30, 1938.

Dear Mr. Fredenburgh,-

I enclose the usual table showing for the latest month (March 1, 1938) the seasonally-adjusted index number of employment for the Dominion.

Yours very truly,

M. E. K. Roughsedge

Employment Statistics.

R. L. Fredenburgh, Esq.,
Prime Minister's Office,
House of Commons,
Ottawa.

R/E

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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Tyle Room

DOMINION BUREAU OF STATISTICS

OTTAWA,

CANADA

March 29, 1938.

Miss A. Walker,
Prime Minister's Office,
Centre Block,
O T T A W A.

Dear Madam,-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

Month	No. Wage-earners	No. Wage-earners Employed	No. Wage-earners Unemployed	P.C. Wage-earners Unemployed
Feb.	2661	2225	436	16.4

Sincerely yours,

M. C. MacLean
per. JAW.

M. C. MacLean,
Chief of Social Analysis.

/DS.

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(M.G. 26, J 4, volume 221, pages C150386-C151101)

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DOMINION BUREAU OF STATISTICS C150815

OTTAWA,

CANADA

March 1, 1938.

Miss A. Walker,
Prime Minister's Office,
Centre Block,
O T T A W A.

Dear Madam,-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

Month	No. Wage-earners	No. Wage-earners Employed	No. Wage-earners Unemployed	P.C. Wage-earners Unemployed
January	2703	2300	403	14.9

Sincerely yours,

M. C. MacLean per Jawatt.

M. C. MacLean,
Chief of Social Analysis.

/DS.

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DEPARTMENT OF TRADE COMMERCE

CANADA

DOMINION BUREAU OF STATISTICS

GENERAL STATISTICS BRANCH

OTTAWA

Employment Statistics

AND QUOTE

FILE No. C150816

File Room

Statement filed in room 243 A

February 26, 1938.

Dear Mr. Fredenburgh,-

Enclosed please find the table showing the seasonally-adjusted index numbers of employment for February 1, 1938, compared with the same month in each of the last nine years. We have recently calculated new factors for seasonal adjustment, basing these upon the experience of the years since 1928, rather than in the longer period formerly used. The figures in the enclosed table are, therefore, not comparable with the adjusted indexes previously sent you. I am accordingly also enclosing a table showing the seasonally-corrected indexes calculated upon the new factors, from Jan. 1, 1929, to Feb. 1, 1938.

Yours very truly,

M. E. K. Roughsedge

Employment Statistics.

R. L. Fredenburgh, Esq.,
Prime Minister's Office,
House of Commons,
Ottawa.

R/E

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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TRADE AND COMMERCE

CANADA

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OTTAWA

Tyle Rossm

DOMINION BUREAU OF STATISTICS C150817

OTTAWA,

CANADA

Jan. 27, 1938

Miss A. Walker,
Prime Minister's Office,
Centre Block,
O T T A W A.

Dear Madam,-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

Month	No. Wage-earners	No. Wage-earners Employed	No. Wage-earners Unemployed	P.C. Wage-earners Unemployed
Dec.	2758	2377	381	13.8

Sincerely yours,

M. C. MacLean

M. C. MacLean,
Chief of Social Analysis.

/DS.

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OTTAWA

DOMINION BUREAU OF STATISTICS C150818

OTTAWA,

CANADA

July 29, 1938

Miss A. Walker,
Prime Minister's Office,
Parliament Bldgs.,
OTTAWA.

Dear Madam,-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

Month	No. of Wage-earners	No. Wage-earners Employed	No. Wage-earners Unemployed	P. C. Wage-earners Unemployed
June	2725	2338	387	14.2

Sincerely yours,

M.C Maclean

M. C. Maclean,
Chief, Social Analysis Branch.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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DEPARTMENT OF
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CANADA

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/ED

DOMINION BUREAU OF STATISTICS

OTTAWA,

CANADA

Sept. 1, 1938

Miss A. Walker,
Prime Minister's Office,
Parliament Bldgs.,
OTTAWA.

Dear Madam,-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

Month	No. of Wage-earners	No. Wage-earners Employed	No. Wage-earners Unemployed	P. C. Wage-earners Unemployed
July	2715	2308	407	15.0

Sincerely yours,

M. C. MacLean

M. C. MacLean,
Chief, Social Analysis Branch.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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DEPARTMENT OF
TRADE AND COMMERCE

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OTTAWA, Sept. 28, 1938

CANADA

Fyle Room

Miss A. Walker,
Prime Minister's Office,
Centre Block,
O T T A W A.

Dear Madam,-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

Month	No. Wage-earners	No. Wage-earners Employed	No. Wage-earners Unemployed	P.C. Wage-earners Unemployed
August	2,740	2,378	362	13.2

Sincerely yours,

M. C. MacLean

M. C. MacLean,
Chief of Social Analysis.

/DS.

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GENERAL STATISTICS BRANCH

OTTAWA

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AND QUOTE

FILE No. C150821

Tyle Room
Statement in Rm 243
Ls.

Oct. 24, 1938.

Miss Grégoire

Dear Mr. Fredenburgh,-

I enclose the usual table showing for the latest month (October 1, 1938) the seasonally-adjusted index number of employment for the Dominion.

In case you should make further use of the September, 1938, figure, may I say that this seasonally-adjusted index has been revised from 111.0 to 110.6.

Yours very truly,

M. E. K. Coughsedge

Employment Statistics.

R. L. Fredenburgh, Esq.,
Prime Minister's Office,
House of Commons,
Ottawa.

R/E

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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OTTAWA

DOMINION BUREAU OF STATISTICS

OTTAWA, Oct. 28, 1938

CANADA

Miss A. Walker,
Prime Minister's Office,
Centre Block,
OTTAWA.

Dear Madam,-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

000's omitted

Month	No. of Wage-earners	No. Wage-earners Employed	No. Wage-earners Unemployed	P. C. Wage-earners Unemployed
September	2,748	2,402	346	12.6

Sincerely yours,

M. C. MacLean

M. C. MacLean,
Chief, Social Analysis Branch.

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DEPARTMENT OF
TRADE AND COMMERCE

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OTTAWA

/ED

DOMINION BUREAU OF STATISTICS

OTTAWA, Nov. 28, 1938

CANADA

Miss A. Walker,
Prime Minister's Office,
Centre Block,
OTTAWA.

Dear Madam,-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

(000's omitted)

Month	No. of Wage-earners	No. Wage-earners Employed	No. Wage-earners Unemployed	P. C. Wage-earners Unemployed
October	2,737	2,359	378	13.8

Sincerely yours,

M. C. MacLean

M. C. MacLean,
Chief, Social Analysis Branch.

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Coll - Unemployment
[redacted]
V. 20

DEPARTMENT OF TRADE COMMERCE
CANADA

DOMINION BUREAU OF STATISTICS
GENERAL STATISTICS BRANCH
OTTAWA

Employment Statistics
AND QUOTE
FILE No. C150824

Nov. 26, 1938.

Dear Mr. Fredenburgh,-

I enclose the usual table showing for the latest month (November 1, 1938) the seasonally-adjusted index number of employment for the Dominion.

Yours very truly,

M. S. K. Rowntree

Employment Statistics.

R. L. Fredenburgh, Esq.,
Prime Minister's Office,
House of Commons,
Ottawa, Ont.

R/E

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V.100
V.20

[redacted]

DEPARTMENT OF
TRADE AND COMMERCE

CANADA

ADDRESS ALL
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R. H. COATS
DOMINION STATISTICIAN
OTTAWA

/ED

Typ Room

DOMINION BUREAU OF STATISTICS

C150825

OTTAWA, Dec. 29, 1938

CANADA

Miss A. Walker,
Prime Minister's Office,
Centre Block,
OTTAWA.

Dear Madam,-

Below is our latest estimate of unemployment to bring up to date the figures already in your possession.

(000's omitted)

Month	No. of Wage-earners	No. Wage-earners Employed	No. Wage-earners Unemployed	P. C. Wage-earners Unemployed
Nov.	2744	2346	398	14.5

Sincerely yours,

M. C. MacLean per JAWatt

M. C. MacLean,
Chief, Social Analysis Branch.

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Coll-Unemployment
[redacted] 100
IN YOUR REPLY REFER TO 41.20

DEPARTMENT OF
TRADE AND COMMERCE

CANADA

DOMINION BUREAU OF STATISTICS

GENERAL STATISTICS BRANCH

OTTAWA

AND QUOTE

FILE No.

Tyle Room

C150826

January 27, 1938.

R.L.
~~Carl~~ Fredenburg, Esq.,
Prime Minister's Office,
East Block,
Ottawa, Canada.

Dear Sir,

Enclosed are the usual tables with figures for the year 1937 compared with 1936. A copy of the bulletin on business conditions in Canada during the past twelve months will be forwarded in due course.

Yours very truly,

Sydney B. Smith
Sydney B. Smith,
General Statistics Branch.

SP

ENCL.

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Unemployment
Unemployment Relief

[redacted]

C150827

April 3, 1938

Memorandum for the Prime Minister

Re - Unemployment

-- Attached to the notes herewith are two memoranda prepared by the Dominion Bureau of Statistics. The first indicates points of difference between the situation in 1929 and to-day. The second is a review, in two parts, of the favourable and unfavourable factors in the present situation in Canada. The first memorandum and the first part of the second memorandum might be given to the House, not as a means of indicating that the situation is without unfavourable aspects, but to upset Mr. Bennett's harmful statement that the country is back where it was in 1929.

In the notes, no attempt has been made to analyze the present bill; it being similar to the Acts of 1936 and 1937.

E.A.P.

P/PM

~~Memo leg head~~

~~Check up on Advisory~~

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[redacted]

V. 24

C150828

CONFIDENTIAL Ottawa, December 20th, 1938.

For Fyle:

Unemployment - Youth Training

The Prime Minister informed me, after Council, this morning, that it had been agreed to extend the Youth Training scheme for three years, and that Parliament would be asked to vote the necessary funds for one year's operation thereof, at the coming Session.

A. D. P. H.

A. D. P. H.

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C150829

Unemployment Relief
Unemployment Insurance

[redacted] 125
V.1

Ottawa, December 20th, 1938.

MEMORANDUM FOR THE PRIME MINISTER:

Re: Unemployment Relief,
Unemployment Insurance.

At the Prime Minister's request, I am transmitting, herewith, the following material on these subjects:

(1) Memorandum on the case for Federal administration of Unemployment Relief;

(2) Outline of a scheme for the administration of Unemployment Relief by the Dominion;

(3) Note on the constitutional position of Unemployment Relief.

Note - The three above memoranda were prepared by Mr. Pickersgill at my direction, and, in my opinion, the considerations advanced in (1) are particularly, under the immediate circumstances, deserving of the Prime Minister's serious consideration.

(4) Excerpts from Hansard, containing statements made in the House of Commons, with respect to Unemployment Insurance, January 27th, 1938, to June 23rd, 1938,

and in case the Prime Minister may wish to refer, thereto, I also transmit -

(5) folder of correspondence with the Provinces on the subject of Unemployment Insurance.

If the Prime Minister requires further material from the office, will he kindly instruct me?

A.D.P.H.
A.D.P.H.

For copy see
H-100
V.13-2
Cryl

Returned by the PM to JWP
22.xii.38

held for Council later
JWP

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C150830

[redacted] February 24, 1938

4-125
Vol. 1

MEMORANDUM FOR THE PRIME MINISTER:

RE: Unemployment Insurance.

1. Replies by Provincial Premiers to Draft Amendment.

Replies have been received from Manitoba, Saskatchewan, Alberta, British Columbia, Nova Scotia and Prince Edward Island. The replies have not been acknowledged, pending direction of Council as to the nature of the acknowledgment it is desired to make.

The replies from Prince Edward Island and Saskatchewan constitute simply a formal approval of the amendment.

Manitoba approves but the Premier would like to see the details of the measure when it is convenient. He also assumes that no financial burden will be imposed on the provincial authorities.

British Columbia approves, but the Premier would also like to see the proposed measure after the amendment has bee n secured.

Nova Scotia approves, but the Premier points out that unemployment insurance will be more beneficial to the highly industrialized provinces than to Nova Scotia.

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Alberta, does not give approval. The Premier states that his government intends to submit the proposal to the Legislature and requests the opinion of the Dominion Government on a number of points. He desires to submit these opinions to the Legislature at the same time as the draft amendment is submitted.

2. References in Provincial Speeches from Throne.

The following reference to unemployment insurance was made in the speech from the Throne in Ontario yesterday (Feb.23).

> "There is little doubt that assistance to those who are unable to find employment will continue for some time to come as one of our major problems, and the measure to be introduced in the Federal Parliament for setting up a system of unemployment insurance on a national scale will, therefore, be awaited with keen interest."

The Premier of Ontario has not acknowledged the draft amendment, but his reply to the original proposal was an unqualified acceptance. Despite equivocal references in interviews given to the press, he has never withdrawn his acceptance.

The following reference to unemployment insurance is reported in the speech from the Throne

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in New Brunswick today (Feb. 24).

> "Consistent with their conception of the constitution and the principles of responsible government, my ministers, without discussing the merits of the proposal, took the position that the question should be determined by this Legislature and the federal government was so advised."

Note: The Premier of Quebec has not acknowledged the draft amendment and has not alluded to it in the Legislature.

3. The Problems Involved in Replying to the Acknowledgments of the Premiers.

1. There is no difficulty, except in the case of Alberta, apart from deciding whether the details of the proposed Bill are to be communicated to the Premiers.

2. There would seem to be a strong case against giving the details of the scheme to the provincial authorities.

It has already been explained that a national scheme would be impossible unless plenary authority is given to Parliament.

The necessary implication of the amendment to give the legislative competence to Parliament is that

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Parliament alone must determine the nature of the scheme.

To submit the details in advance to the provincial authorities, would seem to be a grave constitutional impropriety and might be regarded as an attempt to tie the hands of Parliament.

So long as the provinces are asked simply to consent to the transfer of the necessary authority to Parliament, the full responsibility for refusal is placed squarely upon the provincial authorities.

If the details of the scheme were communicated to them (even for information only) it would be a tacit invitation to them to object to details, rather than to the principle, and they might motivate their refusal by objections to the scheme.

The communication of the scheme could scarcely serve any practical purpose. If the Provincial authorities began to suggest revisions of the scheme, confusion could hardly fail to result. Obviously different suggestions would be forthcoming from different quarters. If some of these provincial objections were impractical and had to be ignored,

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it would probably re-double the opposition from the provinces in qestion. Certain provinces might even suggest impossible modifications, perhaps consciously calculated to wreck the scheme.

One or two of the provinces which have already consented to the amendment might seize upon some detail of the scheme as a ground or excuse for withdrawing their consent, especially if the local government had other motives for wishing to embarrass the Dominion Government.

3. It would be possible to explain to Manitoba and British Columbia in friendly terms why the government could not agree to submit the details of the scheme until it had been introduced in Parliament. The explanation might be accompanied by an offer to receive their representations at an early stage in the consideration of the Bill by Parliament and to give them the most careful examination.

4. As for the letter from the Premier of Alberta, it would appear to be a wise course to attempt to answer in considerable detail the points raised, and to present the argument for unemployment insurance in a form as acceptable as it is possible to make it

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to the present administration of that province.

4. Consideration of the Present Position.

1. The Government would be justified in waiting for the promised consideration of the draft amendment by the legislatures of Alberta and New Brunswick.

2. They would also be justified in allowing some further time for the Premier of Quebec to reply.

3. But it may nevertheless be assumed that Quebec and perhaps Alberta and New Brunswick, may fail to agree to the proposal that the amendment be proceeded with.

4. Is the government prepared to go ahead at this session in the face of opposition from any of the provinces?

There would not appear to be any serious question that the Parliament at Westminster would enact any amendment which was asked for by an address of both Houses of the Canadian Parliament, regardless of any opposition offered by the provincial authorities.

But a proposal to proceed at this session in the face of the objections of one or more of the

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provinces would be open to two objections.

In the first place, the existing method of procedure by address no longer seems to be generally approved in Canada, and it scarcely seems opportune to make it an issue, when it may shortly be necessary to devise a new and permanent method of amendment.

In the second place, such a course would involve the risk of stirring up a wave of hostility in certain of the provinces. Would this be justified merely in order to make a single adjustment - even a very important one - in Dominion - Provincial relations?

The government would probably only be justified in running such a risk in order to secure a general re-distribution of powers, on a basis which might reasonablly be expected to be satisfactory for many years to come.

To force an issue at this stage might prejudice the work of the Rowell Commission and a large part of the justification for that Commission would be removed if any attempt were made to find a way out

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of the constitutional impasse without waiting for their report.

While the government will have the responsibility of deciding how far it is going to accept the recommendations of the Rowell Commission, these will almost certainly involve wider changes than are contemplated in the present proposal.

It seems probable that the procedure for amending the constitution itself will have to be determined as a condition precedent to any re-distribution of powers which may be desired.

On the other hand, the government may anticipate criticism of its failure to continue with its present proposal in this session of Parliament. Such criticism is likely to emanate largely from certain of the provinces which have consented to the proposed amendment.

There is also a danger that failure to proceed with the amendment may strengthen the hands of the exponents of the doctrine that the B.N.A. Act cannot be amended without the consent of every province.

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Certain of the exponents of this view may be expected to claim that the postponement in reality constitutes a demonstration of the validity of their position.

However, if the consent of all the provinces is not forthcoming, it would be open to the government to declare that, while they were not disposed to insist upon an address for an amendment being adopted in this present session, in view of the forthcoming report upon the whole field of Dominion-Provincial relations, they had no intention of abandoning the project of national unemployment insurance, and that they were resolved to include it as an essential element in the general settlement of the relations between the Dominion and the Provinces for which the Rowell Commission was now engaged in doing the preparatory work.

E. A. P.

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[redacted] M-125 Vol. 1

C150839

April 22, 1938

Memorandum for the Prime Minister

Re - Unemployment Insurance

I. Present position vis-a-vis the provinces.

The proposal to the provinces that they agree to an amendment to the B.N.A. Act to enable Parliament to enact unemployment insurance has been accepted by six of the provinces. The Premier of Quebec has stated that "the Province of Quebec is willing to co-operate heartily in the establishment of a sound and fair system of unemployment insurance, which could be established on a national scope, without infringing upon the rights and autonomy of the provinces."

The proposal was referred to the legislatures of Alberta and New Brunswick. The Edmonton Bulletin of April the 8th reported that the Alberta Legislature had adopted a resolution, introduced by Mr. A. J. Hooke, which declared:

> "That the introduction of an unemployment insurance scheme does not require an amendment to the B.N.A. Act.

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> "This sovereign legislature of Alberta cannot agree to any amendment of the B.N.A. Act until the present unsatisfactory constitutional situation in the Dominion has been cleared up to the complete satisfaction of all provinces."

The Legislative Assembly of New Brunswick, on April 14th, adopted a resolution regarding the proposed amendment, which had been introduced by the Premier, Honourable A. A. Dysart. The resolution pointed out that the whole field of Dominion-Provincial relations was being investigated by a Royal Commission, and continued:

> "Be it therefore resolved that in the opinion of this House the Government of this Province should respectfully urge upon the Government of Canada the advisability of deferring further consideration of the said proposal until the report of the said Commissioners is available, when the whole field of social services and any reallocation of legislative powers in respect thereof may be given fuller study and consideration in the light of the findings and recommendations of the said Commissioners."

A copy of this resolution has been received at the Prime Minister's office.

In summary, therefore, it may be said that six provinces have approved of an amendment and three, Quebec, Alberta and New Brunswick, have not approved. In the case of New Brunswick the opposition is merely to immediate

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action; the Legislature has expressly undertaken to consider the request as a part of a general re-adjustment of the relations between the Dominion and the Provinces.

In a debate in the Ontario Legislature, on a want-of-confidence motion censuring the provincial government for failing to establish unemployment insurance on a provincial basis, the Globe and Mail of April the 8th reported that:

> The Premier then re-read his letter to Prime Minister King, pledging Ontario's support to a national unemployment insurance scheme. "That was our position then, and that is our position now", he said.
>
> "But," objected Mr. Macaulay, "what does Ontario propose to do if the Dominion fails to get the assent of the three Provinces (Quebec, Alberta and New Brunswick) to embark on a national scheme?
>
> The Premier again emphasized that Mr. McBride had been instructed to prepare legislation for this present session. He said the Ottawa Government had clearly indicated its intention of doing something.
>
> "The Premier is an astute politician and must know what is going on at Ottawa. Why not call a spade a spade? Don't you know nothing is going to be done in Ottawa this year about unemployment insurance?" asked the Opposition Leader.

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C150842

"No, I don't. I only know that a Government usually carries out what is indicated in the Speech from the Throne," replied the Premier. He pointed out this pledge was definitely made in the Ottawa Throne Speech.

II Should further action be taken at the present session?

There would appear to be three possible courses open to the government:

(a) The amendment might be postponed but the unemployment insurance legislation enacted, with a provision that it should not come into force uhtil proclaimed.

This course might have the advantage of creating a sufficiently large body of support for the scheme to cause reconsideration by the governments which have not agreed to the necessary amendment.

On the other hand, it is open to a number of objections:

(1) It is probable that considerable opposition to the details, if not to the principle, of the legislation would develop in certain quarters, and it is conceivable that pressure

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might be put on some of the provincial governments which have already given their consent to an amendment, to withdraw the consent.

(2)The government would be open to criticism on the ground that they had made a meaningless gesture in the hope of deriving some political advantage from it, and it would, perhaps, strengthen rather than weaken the case of those critics (like Toronto Saturday Night) who have already described the government's proposal as insincere.

(3)Constitutionally, it might be open to more serious objection than the social legislation of 1935. Mr. Bennett claimed that his legislation was intra vires; the present government, in such an event, would be attempting to enact a measure which was admittedly ultra vires, and they would probably be accused of bringing Parliament into contempt.

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(b) The address to the United Kingdom Parliament for the amendment might be proceeded with, in spite of the opposition of the three provinces.

There would not appear to be any serious question that the Parliament at Westminster would enact the amendment, regardless of provincial objections, if the request came from both Houses of the Canadian Parliament.

The arguments for this course may be summarized briefly:

(1) Unemployment insurance has been advocated by all political parties for years, endorsed repeatedly by the electorate, and is urgently needed.

(2) Postponement of the scheme at this stage is likely to be interpreted as a sign of weakness on the part of the government and an abandonment of its programme.

(3) Consent of all the provinces to any amendment seems impossible to

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secure, and further delay will strengthen the position of the advocates of the "compact theory" in its extreme form.

(4) Postponement might result in Ontario or some other province, which is committed to unemployment insurance, proceeding on a provincial basis, thus occupying the field and making a subsequent amendment more difficult.

On the other hand, the arguments against proceeding appear to be substantial.

The proposed amendment probably represents only one of the adjustments which are desirable, if an adequate improvement in Dominion-Provincial Relations is to be brought about.

The whole field of these relations is at present under investigation, and it is likely that the Rowell Commission will make recommendations not merely as to the changes which are desirable, but, also, as to the most satisfactory method of effecting them.

There would appear to be a real risk, involved in proceeding by address at this stage, of stirring

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up a wave of hostility in certain provinces, which might prejudice the work of the Rowell Commission and prevent a general re-distribution of powers, on a basis which might reasonably be expected to be satisfactory for many years to come. The government would probably only be justified in running such a risk in order to secure a general settlement.

(c) The whole scheme might be postponed pending a forthcoming general settlement.

The government might declare that they had made this particular proposal to the provinces last year, because they had reason to believe that there was general agreement in the country as to the desirability of national unemployment insurance. It could be added that the government remained convinced that the project was generally approved, but that, in view of the opinion of two of the provincial legislatures that it was desirable to await a general constitutional adjustment, the government was not disposed to insist upon an address for an amendment being proceeded with during the present session of Parliament.

In such a statement it could be made clear that

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the government had no intention of abandoning the project of national unemployment insurance, but that they were resolved to include it as an essential element in the general settlement of the relations between the Domihion and the Provinces, for which the preparatory work was being done at the present time. (Attached hereto is a draft of a statement along the lines suggested above).

E.A.P.

April 22, 1938

JWP/PM

EARNSCLIFFE
LINEN BOND
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In a statement which I made to the House on March the 28th, in reply to a question by the Honourable Member for Winnipeg North, it was pointed out that the Premiers of Alberta and New Brunswick had stated that they intended to refer to the provincial legislatures the proposal for amending the British North America Act in order to give Parliament authority to enact unemployment insurance legislation. At that time I said that I did not feel it would be desirable to make a further statement before these provinces had had an opportunity of indicating their views.

While, thus far, no official communication has been received by the government from Alberta, the press has reported that the legislature of Alberta adopted a resolution which declared:

> "That the introduction of an unemployment insurance scheme does not require an amendment to the B.N.A. Act. This sovereign legislature of Alberta cannot agree to any amendment of the B.N.A. Act until the present unsatisfactory constitutional situation in the Dominion has been cleared up to the complete satisfaction of all provinces."

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The government of New Brunswick has forwarded a copy of a resolution adopted by the legislature on April 14th, which, after drawing attention to the relation of the Dominion government's proposal to the investigations of the Royal Commission on Dominion-Provincial relations, continued in these terms:

> "Be it therefore resolved that in the opinion of this House the Government of this Province should respectfully urge upon the Government of Canada the advisability of deferring further consideration of the said proposal until the report of the said Commissioners is available, when the whole field of social services and any reallocation of legislative powers in respect thereof may be given fuller study and consideration in the light of the findings and recommendations of the said Commissioners."

The Premier of Quebec has, thus far, not acknowledged the draft amendment which was communicated to him on January the 20th. But in previous correspondence he stated that "the Province of Quebec is willing to co-operate heartily in the establishment of a sound and fair system of unemployment

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insurance, which could be established on a national scope, without infringing upon the rights and autonomy of the provinces." He has further indicated that a national scheme could be established by means of concurrent or enabling legislation without constitutional amendment.

In summary, therefore, the position at present is that six of the provinces are favourable to the proposed amendment and three have withheld approval for the time being at any rate.

When, in November last, the government invited the concurrence of the provinces in the transfer of legislative jurisdiction regarding unemployment insurance, they considered that the immediate establishment of a national unemployment insurance scheme was desirable, and that the need therefor was clearly recognized in all parts of Canada. The government have not altered their opinion that the principle of national unemployment insurance is generally approved throughout the country, and that a scheme should be instituted with the least possible

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delay. They are equally convinced that it is not feasible to inaugurate unemployment insurance without securing the necessary legislative jurisdiction. They had hoped that these considerations would lead all the provinces to concur in the proposal for the necessary amendment.

In view, however, of the opinion expressed by the legislatures of Alberta and New Brunswick, that it is desirable to await a general adjustment of relations between the Dominion and the provinces, and in view, also, of the fact that the preparatory work for such a settlement is actually in progress at the present time, the government have decided not to proceed with an address for the proposed amendment to the B. N. A. Act at this session of Parliament.

This does not mean that the government have the slightest intention of abandoning the project of national unemployment insurance. They are resolved to include it as an essential element in any ~~proposals for the~~ general settlement of the relations between the

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C150852

[redacted]

Dominion and the provinces, ~~which they are convinced must be made, if the Dominion and the provinces are to work in harmony for the general welfare.~~

Read to Council
& approved
April 29th 1938
[illegible]

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Re: Unemployment Insurance

C150853

Unrevised Hansard
June 14, 1938, pp. 4178-80

Mr. NEILL: I wonder if the minister would answer one or two small questions that perhaps are not directly connected with this item, but I cannot find any other place to pin them. I should like information on the following points, and it will not take a minute if the minister has the information under his hand. I am sorry the right hon. Prime Minister is not here at the moment, but the other day in reply to the hon. member for Fraser Valley he dealt with the question of unemployment insurance. I should like to know if the minister would just expand that a little. I should like to know, first, what provinces are unwilling to join in an amendment to the British North America Act; second, which provinces have refused to cooperate in passing bills providing for unemployment insurance, and their reasons for so doing; and, third, would it not be possible and wise to publish the draft which the right hon. Prime Minister says is ready, in order to influence public opinion? Each of us has some little influence, and if we went home and boosted for the bill as we saw it, we might be able to bring some pressure to bear on the various governments; but until the provisions of the bill are made known, we are asking people to endorse something more or less in the dark. At any rate I should like to know which of the provinces have flatly refused to join in an amendment to the British North America Act and why; which have refused to join in an unemployment insurance measure, and why; and if we could not have the draft act made public.

Mr. ROGERS: My hon. friend will understand that if I appeared to speak cautiously in connection with this matter, it is desirable that I should do so, as I speak wholly from recollection. My impression is that all the correspondence with the provinces in relation to this matter has been tabled from time to time. The original letter asked for the cooperation of the provinces in the enactment of a national scheme of unemployment insurance. As I recollect it, replies were received from all the provinces. Three provinces expressed the view either that there should not be a national scheme of unemployment insurance or that no action should be taken pending discussion of the matter in their legislatures.

Mr. NEILL: Which three?

Mr. ROGERS: Quebec took definite exception to a national scheme of unemployment insurance. New Brunswick wished to have the matter discussed in the legislature. Alberta took precisely the same position. Subsequently a further letter was sent to the provinces asking for their cooperation in a constitutional amendment which would permit this parliament to enact a national scheme for unemployment insurance. I believe I am correct when I say that answers were received from all but two provinces with respect to this request for assistance in putting through the constitutional amendment.

Mr. BENNETT: A draft amendment was enclosed, was it not?

Mr. ROGERS: Yes; a draft amendment was actually submitted to the various provinces. Alberta declined to cooperate. New Brunswick expressed the view that no action should be taken pending the report of the royal commission on dominion-provincial relations. Quebec had already expressed its opinion in regard to the first question and, so far as I recall, did not specifically answer the letter referring to the constitutional amendment. Ontario had originally supported the proposal for a national scheme of unemployment insurance, but I do not recall that there was a letter received from that province with special regard to the constitutional amendment. That is the situation as I know it at the present time.

Mr. NEILL: The minister spoke about all the correspondence having been tabled. Could he look into the matter and see that it is all tabled, so that it will all be available?

Mr. ROGERS: I shall be glad to do so.

Mr. NEILL: What about the legislation itself? What does the minister think about letting the public into his confidence with respect to the draft bill? After all, we have to deal with it finally, and it might help to formulate public opinion in its favour if we were familiar with its provisions. Would the draft bill form part of the matter to be laid on the table?

Mr. ROGERS: I would not care to answer that question without consideration. I can see some merit in the proposal, but I can also see some objections. I should like to have a full opportunity to give the proper weight to each.

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C150854

Mr. BENNETT: I am bound to say I had in mind the same suggestion as has been expressed by the hon. member for Comox-Alberni with regard to the publication of the bill. I realize, of course, that under the rules of the house it cannot be introduced into the chamber. Having regard to that fact, I think it might possibly be tabled with the correspondence, leaving blanks, of course, where expenditures of public moneys or matters of that kind were involved, as is usual in bills of that sort.

It has not been unusual to lay bills on the table, to give them first reading, and then have them printed for second reading and circulated widely throughout the country. In view of the limitations in connection with the introduction of the measure, and in view of its having been declared to be beyond the legislative competence of parliament, it does seem to me it would be fair to have it made public, so that to some extent public opinion could crystallize around the concrete proposals, rather than in connection with an abstract discussion or suggestion.

Mr. MacNEIL: The minister said the other evening that he had a special representative of the department in Vancouver, and that the remuneration to that officer was $500 a month. From what vote is provision made for his salary, what is his title, and what is the exact nature of his duties?

Mr. ROGERS: That would come under the administration vote in the supplementary estimates, and I think it would be preferable to discuss it at that time.

Mr. MacINNIS: I think the point raised by the hon. member for Comox-Alberni is worthy of support. This government adopts the attitude that if there is any opposition at all from certain quarters, it would immediately drop a measure like a hot coal, and do nothing further about it. It is quite clear, I believe, that in a country such as this, with such a large area and a wide diversity of opinion, there would not be unanimity in any measure the government may propose. Here is a measure, however, of which I believe enlightened opinion in all parts of the dominion is in favour. I believe the government itself is in favour of it, as indicated by the fact that it has proposed it. Should not the government take steps to familiarize the people of the provinces with the measure, because we must remember that this is a government of the provinces just as are the legislatures. We must learn their reaction to the execution of a national employment insurance scheme to be used as a means of safeguarding the social welfare of the people.

In this way I believe the government would be able to bring pressure to bear upon the provincial governments, through the people in those provinces, and in that way would get consent. We are living in an age in which advertising and publicity of various kinds play an important part in our lives. If the sentiment in favour of unemployment insurance is crystallized, those backward provincial governments, which would like to build a Balkan states of Canada, would have to give way to enlightened opinion. In my opinion such enlightened opinion should be fostered and extended by the federal authority.

Mr. ROGERS: I do not think I can do more than take that proposal under advisement at the present time. I believe the hon. member will realize that it is not possible to do more than that. The leader of the opposition, as I understand it, suggested that the draft bill might be published without the financial provisions.

Mr. BENNETT: I mean that there would be blanks as to contributions by governments.

Mr. ROGERS: Yes; that would, of course, deprive the bill of what would be one of its most important provisions.

Mr. BENNETT: Oh, no, you would be leaving out the question of contributions by employers and employees, and leaving the question of contributions by the government blank, because it would have to be preceded by a message. I think one might get a fair grasp of the general principles of the bill, having regard to the fact that the bill placed upon the statute books was one which was prepared in the light of knowledge obtained from the British labour office in connection with the operation of their act.

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[redacted] 212

Unrevised Hansard
June 23rd, 1938 - pp. 4507-8.

C150855

UNEMPLOYMENT INSURANCE—APPROVAL BY PROVINCES

Mr. NEILL:

1. Which of the provinces have indicated their willingness to agree to the proposed change in the British North America Act to allow unemployment insurance to come under dominion jurisdiction?

2. Which of them have indicated objections, and for what reasons?

3. Which of the provinces have indicated approval of the draft measure to provide for unemployment insurance submitted to them by the Government?

4. Which of them withheld consent, and for what reasons in each case?

5. Will the government lay on the table the draft bill mentioned above, for the information of the house?

Mr. ROGERS:

1. Six of the provinces, Nova Scotia, Prince Edward Island, Ontario, Manitoba, Saskatchewan and British Columbia.

2. The provinces of Alberta, New Brunswick and Quebec have not been willing to agree to an amendment.

The premier of Alberta stated in a letter dated March 15, last that he intended to submit the proposals to the legislature. No official communication regarding the attitude taken by the legislature of Alberta has been received, but the press has reported that the legislature adopted a resolution which declared:

"That the introduction of an unemployment insurance scheme does not require an amendment to the B.N.A. Act. This sovereign legislature of Alberta cannot agree to any amendment of the B.N.A. Act until the present unsatisfactory constitutional situation in the dominion has been cleared up to the complete satisfaction of all provinces."

The government of New Brunswick has forwarded a copy of a resolution adopted by the legislature on April 14th, which, after drawing attention to the relation of the dominion government's proposal to the investigations of the royal commission on dominion-provincial relations, continued in these terms:

"Be it therefore resolved that in the opinion of this house the government of this province should respectfully urge upon the government of Canada the advisability of deferring further consideration of the said proposal until the report of the said commissioners is available, when the whole field of social services and any re-allocation of legislative powers in respect thereof may be given fuller study and consideration in the light of the findings and recommendations of the said commissioners."

The premier of Quebec has, thus far, not acknowledged the draft amendment which was communicated to him on January 20, 1938.

3. The government did not submit a draft measure to provide for unemployment insurance to the provinces. What was submitted to the provinces was a draft of the proposed amendment to the British North America Act to give the dominion the necessary jurisdiction.

4. Answered by No. 3.

5. To lay on the table a bill which the government knew in advance to be ultra vires would not be in conformity with the government's view of sound constitutional practice. To publish a draft, which would not even be a bill, would appear to be open to even more serious misconstruction. The government feel that, before attempting to proceed with specific detailed proposals for legislation, it is essential that the necessary legislative jurisdiction should be vested in parliament.

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[redacted]
January 23, 1938.

C150856

Mr. King's Notes

Re Unemployment Insurance

1st step. An amendment to the B.N.A. Act to get authority to enact a federal Unemployment Insurance Act.

2nd step. If amendment approved by all provinces, pass necessary resolutions in House and enact Bill.

Alternative

3rd step. If amendment not approved by some provinces but approved by others - not approved on score of ignorance of the provisions, present to parliament draft of proposed Bill and send copies to provinces, in hopes its provisions will so commend themselves as to secure their approval to the enactment of the measure.

Is this possible without resolution?

4th step. If consent of all provinces to amendment not obtained after submission of Bill to parliament and its consideration by provinces - do not attempt coersion on any course that can be questioned until after agreement has been reached upon conditions under which B.N.A. Act can be amended.

Government's policy on this will necessarily depend on finding of Royal Commission re Dominion-Provincial relations.

Meanwhile amendment and Bill both stand with Government's declared intention to proceed with both when agreement on same obtained from provinces.

It may become necessary to secure this agreement in a general election, e.g., if Bill made part of Government policy in a general election

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C150857

and the Government secured majority of members from provinces which are withholding assent to the amendment, Amendment might then be proceeded with by introducing resolution in parliament and securing consent of both Houses to the same.

No coersion ~~by~~ but persuasion, reasoned discussion throughout (1) in parliament, (2) in general election.

~~The~~ As responsibility for a report of a Royal Commission:

A Government responsibility as to what will or will not be accepted.

Not responsibility of any Minister to support the report.

A Minister differing with policy of Government in any major matter would necessarily consider resignation unless prepared to adjust his views to those of his colleagues.

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OFFICE OF THE PRIME [redacted]

MEMORANDUM

C150859

January 5th, 1939.

For the Prime Minister:

The attached letter from one, Lewis V. Smith of Sedgewick, Alberta, deals remarkably directly with two of our most pressing problems, viz., unemployment and wheat marketing.

Mr. Pickersgill tells me that this is the same man who wrote a quite extraordinarily able letter on the Padlock Law, about six months ago.

Under the circumstances, the Prime Minister may wish to send something more complete than the attached routine reply.

A. D. P. H.

A. D. P. H.

Smith, L. V.

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FROM THE PRIME MINISTER

TO Mr. Pickersgill

C150859

Please draft brief letter of appreciation for my signature. Say that the different matters had been brought to the attention of my colleagues in the Government - those who would be most interested.

4/2/39 (Z)

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MEMORANDUM
Office of the Prime Minister [redacted]
Ottawa, Feb 9 C150860

Miss Cameron
JWP

5 copies

have copies been sent to Agric, T+C + Labour? They should, if not
AH

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J A Gibson

JAG/LAM
March 6, 1939.

C150861

Summary of Article in "The Legionary",
February, 1939:

"The Veteran and Unemployment"
by Capt. H.C.Howard, Richelieu, P.Q.

This article advocates a national scheme of localized relief.

The chief features appear to be:

1. direct aid to able-bodied men to be stopped;

2. a wholesale registration of all such effectives to be undertaken by Canadian Legion Committees located at centres of population

   (trade, vocation or profession if any, to be noted);

3. regional warehouses, manned exclusively by registered uemployed civilians and ex-service men, to stock food and clothing for general distribution;

4. all moneys now voted by Municipal bodies and under various legislation to be funded to special executive Committees of Canadian Legion;

5. Payment for work to be in non-negotiable paper exchangeable only for supplies;

6. Housing, fuel, and light to be paid out of general funds, of Canadian Legion Committees;

7. The whole body of effectives to be organized into military corps representing various branches of service --
   a citizen soldiery; special attention to hospitalization, etc.;

8. the same general system to apply to female effectives, required to enlist in a women's auxiliary defence corps under General Staff.

It must be noted that literally to carry out this scheme would involve a grave derogation of the sovereignty of Parliament with respect to the disposal of public funds. The extent to which the organization proposed would have a military character would not commend it to some sections of the community.

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OFFICE OF THE PRIME MIN[redacted]

MEMORANDUM

C150882

FOR THE PRIME MINISTER:

Re: Unemployment Relief.

Attached are three further memoranda, prepared by Mr. Cudmore, on the following aspects of the subject of unemployment:

1. A study of "percentages of labour forces unemployed in Canada and the United States";

2. A "comparison of unemployment in Canada and in Great Britain";

3. A study of the "intensity of unemployment in certain democratic countries, 1938".

Mr. Cudmore has inquired whether there is any additional material on the unemployment question which the Prime Minister would wish him to assemble.

for A. D. P. H.

March 17th, 1939.

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S.A.C./AW
March 17th, 1939.

[redacted]

PERCENTAGES OF LABOUR FORCES UNEMPLOYED IN CANADA AND THE UNITED STATES

C150863

In recent years estimates have been made in Canada and in the United States of the total labour forces of the respective countries and the numbers thereof who are unemployed. These estimates are based upon the respective censuses of unemployment in the two countries and are no doubt subject to a certain margin of error, while it must also be remembered that in the best of years there is always some unemployment due to seasonal unemployment, to changing jobs, to the elimination of elderly workers and to the delays in getting young workers placed. Even in 1929, Canadian and United States workers appear to have lost on the average about 4 per cent of their time--say two weeks in the year--presumably largely owing to seasonal unemployment.

The Canadian record indicates that in spite of the falling off in employment in 1938 as compared with 1937, there were in 1938 more than half a million more wage earners in employment than in 1933, and nearly a quarter of a million more workers employed than in 1935. The estimated number unemployed was 407,000 in 1938 as compared with 646,000 in 1933 and 483,000 in 1935.

In the United States, there are two estimates of this kind, made respectively by the American Federation of Labour

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C150864
[redacted]

and the National Industrial Conference Board; these estimates, however, show the same general tendencies.

Notable is the fact that in 1938 the unemployed in Canada are estimated at 15.1 per cent of the total labour force, while in the United States the American Federation of Labour's estimate of the unemployed is 20.7 per cent of the total labour force, and the National Industrial Conference Board's estimate for the first nine months is 20.3 per cent. On the basis of these and other records, there appears to be no doubt that the situation in Canada is relatively considerably better than in the United States. The following tables give the annual averages for the last ten years.

FARNSCLIFFE
LINEN BOND
MADE IN CANADA

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C150865

ESTIMATES OF EMPLOYMENT AND UNEMPLOYMENT IN CANADA AND THE UNITED STATES 1929--1938

CANADA

Year	Total Labour Force	Estimates of Dominion Bureau of Statistics		
		Number Employed	Unemployed	P.C. of Unemployed in Total Labour Force
	(in thousands)			
1929	2,551	2,444	107	4.2
1930	2,654	2,313	341	12.8
1931	2,537	2,095	442	17.4
1932	2,459	1,820	639	26.0
1933	2,434	1,788	646	26.5
1934	2,530	2,009	521	20.6
1935	2,539	2,056	483	19.0
1936	2,572	2,142	430	16.7
1937	2,706	2,369	337	12.5
1938	2,704	2,297	407	15.1

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C150866

UNITED STATES

Year	Total Labour Force	Estimates of American Federation of Labour		
		Number Employed	Number Unemployed	P.C. of Unemployed in Total Labour Force
	(in thousands)			
1929	48,056	46,192	1,864	3.9
1930	48,752	43,982	4,770	9.8
1931	49,417	40,679	8,738	17.7
1932	50,060	36,878	13,182	26.3
1933	50,682	36,959	13,723	27.1
1934	51,288	38,924	12,364	24.1
1935	51,191	40,539	10,652	20.8
1936	51,759	42,364	9,395	18.2
1937	52,307	44,025	8,282	15.8
1938	52,879	41,943	10,936	20.7

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C150867

UNITED STATES

Year	Total Labour Force	Estimates of National Industrial Conference Board		
		Number Employed	Number Unemployed	P.C. of Unemployed in Total Labour Force
	(in thousands)			
1929	48,354	47,885	469	1.0
1930	49,025	45,176	3,849	7.9
1931	49,664	41,516	8,148	16.4
1932	50,182	37,666	12,516	24.9
1933	50,830	38,057	12,773	25.1
1934	51,424	40,901	10,523	20.5
1935	52,051	42,208	9,843	18.9
1936	52,704	44,545	8,159	15.5
1937	53,323	46,295	7,028	13.2
1938	53,875[M]	42,926[M]	10,949[M]	20.3

M Averages for the first nine months.

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[redacted]
March 16th, 1939.

Ludmore

COMPARISON OF UNEMPLOYMENT IN CANADA AND IN GREAT BRITAIN

C150868

The trends of employment and of unemployment in the modern world appear to be largely independent of national boundaries and to follow a fairly similar course in trading countries with similar democratic institutions. In countries governed in accordance with totalitarian principles, however, every man must go where the State tells him to go, do what the State tells him to do and accept such wages as the State decrees. In such countries, therefore, unemployment may be reduced to a low figure at the cost of reductions in the standard of living. Thus the New York Times of February 8th, 1939, states that "Dr. Hjalmar Schacht is reported to have said before his dismissal from the presidency of the Reichsbank that it was risky to prophecy with regard to the development of the situation in Germany because human beings appear capable of eking out an existence under conditions in which cattle would succumb."

Canada and Great Britain, however, are both democratic countries in which there is no forced labour. Therefore, the course of employment in the two countries is likely to be more or less parallel. In Great Britain a definite record of unemployment is available from the unemployment insurance statistics published monthly by the

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C150869

British Department of Labour. These records give each month the numbers of wholly unemployed workers and also of temporarily unemployed workers. The totals of these two classes are also expressed as percentages of all those coming within the sphere of operations of the British unemployment insurance scheme.

In Canada, the numbers of unemployed members of trade unions are obtained monthly by the Department of Labour from the secretaries of the trade unions. These unemployed members of trade unions are also expressed as a percentage of the total membership of the reporting unions.

On the basis of these British and Canadian records, a comparison may be made of the relative intensity of unemployment in the two countries, though the total Canadian working force coming under consideration is very much smaller than the British. When the percentages are placed side by side, there is revealed an extraordinary similarity in the percentages of unemployment in the two countries, especially in the more recent years under the present Administration. In 1933 and 1934, however, the Canadian situation appears to have been relatively worse than the British. For brevity, only the annual averages are given, the British figures being taken from the latest issue of the International Labour Review.

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C150870

PERCENTAGES OF WORKERS UNEMPLOYED IN CANADA AND IN GREAT BRITAIN 1929 - 1938

	Canada Average Percentage of Reporting Trade Unionists Who Were Unemployed	Great Britain Average Percentage of Workers under Unemployment Insurance Scheme Who Were Unemployed
1929	5.7	10.4
1930	11.1	16.1
1931	16.8	21.3
1932	22.0	22.1
1933	22.3	19.9
1934	18.2	16.7
1935	15.4	15.5
1936	13.2	13.1
1937	10.7	10.9
1938	13.1	13.1

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S.C.C./AW
Ma[redacted]

C150871

INTENSITY OF UNEMPLOYMENT IN CERTAIN DEMOCRATIC COUNTRIES

1938

Every country in the world has its own peculiar economic and occupational structure, and every country in the world has at all times some unemployed workers owing perhaps to seasonal causes, to changing jobs, to the elimination of elderly workers and to the failure to absorb young workers into employment. Because of differing occupational structures in different countries and because of the differing inclusiveness of the statistical records of unemployment, it cannot be maintained that the same percentage of unemployment necessarily means the same thing in different countries.

Nevertheless, the following table, compiled from the March issue of the International Labour Review and showing the average percentages of unemployment in 1938 in certain democratic countries for which the figures are available, has considerable significance. It will be noted that the Canadian percentage of unemployment, while higher than in Australia or Sweden, is precisely the same as in Great Britain, is lower than in the United States and very much lower than in Denmark or the Netherlands, two well-governed democratic nations.

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C150872

Average Percentages of Workers Unemployed in Certain Countries with Democratic Institutions, 1938

COUNTRY	SOURCE	PERCENTAGE
Australia	Trade union returns	8.7
Canada	Trade union returns	13.1
Denmark	Trade union returns	21.4
Great Britain	Unemployment insurance statistics	13.1
Netherlands	Voluntary unemployment insurance statistics	27.7
Sweden	Trade union returns	11.7
United States	Trade union returns	15.3

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Mr. Heeney

OFFICE OF THE PRIME MINISTER

MEMORANDUM

file

FOR THE PRIME MINISTER: C150873

4700
V.10(9)

Re: Unemployed Transients in Toronto
Mr. Church's Question

The secretary to the Minister of Labour has been consulted and he states that Mr. MacKinnon has a draft telegram to the provincial authorities which he proposes to submit to Council this morning, and which, if approved, he intended to read in reply to Mr. Church's question, if the matter were brought up again today.

In substance the telegram contains an offer on the part of the Dominion to co-operate with the provincial authorities if they are willing to continue to assist the transients. The matter is, of course, primarily a provincial responsibility.

A.D.P.H.

A.D.P.H.

March 24, 1939

see also
P-659
1939

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✓ Unemployment [illegible]
✓ Unemployment - Ontario File

C150874 H-700
V. 11-2

April 22, 1939. R-100-"na"
1939

MEMORANDUM FOR MR. HEENEY:

125 Queen St Tel: 3.4710

Re: Ottawa Single Unemployed Association.

Mr. J. P. Murphy, describing himself as a representative of this Association, telephoned the office on Saturday afternoon asking for an interview with the Prime Minister.

He later sent a Mr. J. Metcalfe of 211 Slater Street, whom I saw in my room.

The latter had a letter to which were attached the following papers:

1. His own and Murphy's unemployment registration cards.

2. A letter, dated April 4, on the letterheading of the Association, signed by E. L. Matthew, Secretary, and a further form dated April 11, purporting to list certain donations received.

3. A circular letter calling attention to the reported plight of 75 members of the Association not receiving relief in Ottawa and urging the reader to appeal to the Minister of Labour to do something for them.

One of these letters was a direct request for financial assistance. The donations received totalled $21.50. It was observed that Senator Barnard's name was among them.

I told Mr. Metcalfe that I would lay these facts before you.

24/4 Mr. Murphy called at office: was informed matter was one for Labour Dept. J.A.G.

J.A.G.
J. A. G.
J.A. GIBSON

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MEMORANDUM

Office of the Prime Minister

Ottawa, Ap 24

J.A.G. - Matter for Labour

C150875

PM cannot be asked for financial assistance & there appears to be nothing else here properly for his attention

A+

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NEW IMMIGRATION, IN CONJUNCTION WITH FINANCED LAND SETTLEMENT,

AS A REMEDY FOR UNEMPLOYMENT

A CONCRETE EXAMPLE

EMPLOYMENT AFFORDED BY THE CONSTRUCTION OF BUILDINGS AND OTHER IMPROVEMENTS CARRIED OUT AT THE RECENTLY ESTABLISHED FAIRBRIDGE FARM SCHOOL FOR BOYS AND GIRLS FROM THE UNITED KINGDOM AT DUNCAN, VANCOUVER ISLAND, B.C.

1. Direct Results. Estimate of the Value of Materials and Labour used from October 1st, 1935 to December 31st, 1936:

N.B. TOTAL DIRECT EMPLOYMENT GIVEN UP TO DATE IS ESTIMATED TO BE EQUIVALENT TO 70 MEN FOR 1 YEAR - TAKING INTO ACCOUNT MATERIALS AND LABOUR. THIS ESTIMATE IS BASED ON THE FOLLOWING CALCULATIONS:-

DETAILS OF WORK CARRIED OUT:

Old Buildings improved: Minor Items.
New Buildings constructed: 1935 Programme:

4 Dwellings approx.	30'x40'
1 Dwelling approx.	20'x20'
1 Building approx.	35'x90'

1936 Programme:

2 Duplex Buildings approx.	36'x100'
1 Dining Hall (addition)	35'x90'
1 School ('L'shaped	50'x90'
and	35'x120'
1 Hog Barn	30'x55'
1 Slaughter House	20'x20'

MATERIAL USED:

Origin	Description	Details	Value
B.C.	Lumber -	500,000 sq.ft. @ an average price of $27.50 per M	$13,750.00
B.C.	Shingles		3,000.00
Canada	Hardware -	Nails, hinges, door and window fittings, etc., etc.	1,200.00
B.C.	Cement -	2000 sacks @ $1.00 per sack (made within 20 miles of Duncan)	2,000.00
B.C.	Bricks -	20,000 @ $2.50 per hundred	500.00
B.C.	Sand and Lime (hauling)		240.00
$7000	Canada	(Heating Apparatus and	
$5000	B.C.	Materials for completing same)	12,000.00
B.C.	Doors and Sashes		4,000.00
Canada	Paint		4,000.00
		(of which 75% represents Labour)	$40,690.00

(N.B. $30,000 is equal to the employment of approximately 30 men for 1 year) 30 men

LABOUR:

B.C. - The total paid out in Labour on buildings is approximately $25,000, which is equivalent to the employment of 25 men for 1 year 25 men

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To This must be added:

B.C.	(Water Installation	$10,500.00	
	(Clearing Land	3,000.00	
	(Architects and Staff	3,000.00	
		$16,500.00	equivalent to the employment of 16 men for 1 year ... 16 men
			TOTAL - 71 men

The argument that financed land settlement creates employment is supported in a concrete way by the foregoing figures.

2. Indirect Results. The above figures deal only with the DIRECT results of the building programme at the Fairbridge Farm School. How about the INDIRECT results - the results of the circulation of the wages of the 70 workers mentioned, $70,000? How many times has that circulated within the year? It has undoubtedly led to the purchase of large amounts of manufactured goods. At least $50,000 of that $70,000 went immediately into manufactured goods, there by creating more work for other workers, who in their turn spent a goodly portion of their wages on food supplies from farmers and on manufactured goods. And so the circle moves on, each revolution creating more employment.

A comprehensive scheme of immigration, in conjunction with financed settlement on the land, would undoubtedly go a long way towards putting our unemployed workers back into normal and healthy employment.

M.L.H.

15.1.37.

Distributed to all Labour organizations in B.C. and to Members of the House of Commons at Ottawa.

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Unemployment & Farm
Vancouver Situation

Cdr - Unemployment & Farm Relief

C150878

Statement Issued to the Press
by
The Right Honourable W. L. Mackenzie King
June 19, 1938.

On Friday last, the Acting Postmaster-General was authorized by the Dominion Government to communicate with the Mayor of Vancouver asking that the necessary steps be taken to have the Post Office vacated by those who were occupying it as trespassers. This decision was taken as a result of advice that the police authorities of Vancouver could not act without a formal request from the Postmaster-General and further information that the continued occupation of the building was becoming a menace to public health.

The Dominion Government, in common with provincial and civic authorities have shown patience and forbearance in dealing with this situation. It had been hoped that, through the adoption of this attitude, the men involved would realize the error of proceeding as they had, and that the necessity of eviction would thus have been avoided. Such, unfortunately, did not prove to be the case.

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Under instructions from Ottawa, the Royal Canadian Mounted Police co-operated in measures taken by the city police to clear the Post Office. At the same time, the city police evicted the men who had occupied the Art Gallery. Every reasonable precaution was taken to avoid physical injury during the eviction. The men were twice requested by the Postmaster to leave the building peaceably, and refused to do so, before the police proceeded to carry out their instructions.

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(MACKENZIE KING)

Re VANCOUVER UNEMPLOYED

C150880

I. Cause of concentration of single unemployed in Vancouver

1. Some 4600 men provided employment during winter 1937-38 in forestry conservation projects.

2. Work terminated at end of April

3. Although men were discharged from camps at intervals to avoid concentration, they congregated in large numbers in Vancouver.

II. Attitude of B.C. provincial government

Position made clear by Hon. G.S. Pearson, Minister of Labour (May 14, 1938):

1. 1800of men provided with work during winter were from outside B.C.

2. Believed bona fide B.C. residents could find work in B.C. during summer.

3. Burden on B.C. caused by accumulatiom of transients from other provinces.

4. B.C. did not intend to make forestry projects available to non-residents in 1938-39.

5. Therefore, no object in the 1800 non-residents remaining in B.C.

6. Provincial government offered assistance to the non-residents to return home.

III. OCcupation of Post Office and Art Gallery (May 20)

1. Numbers originally concerned reported to be about 1500, (many non-residents) in three buildings:

Post Office
Art Gallery
Georgia Hotel.

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2. Aldermen of Vancouver arranged, through payments to men, for almost immediate evacuation of the Hotel

3. Occupation clearly intended as a mass demonstration - intended to coerce the government either at Victoria or Ottawa to provide special relief works.

IV. Attitude of Dominion government

1. Recognized that provincial government had no obligation to non-resident unemployed.

2. Supported offer of transportation of men to their homes.

3. Guaranteed no discrimination against men on relief projects in their home provinces

4. Refused to submit to coercion to favour a particular group of unemployed.

5. Took view that a works project specifically designed to meet situation in Vancouver would:

(a) encourage similar demonstrations elsewhere

(b) encourage transiency, as unemployed elsewhere would consider B.C. a favoured spot.

6. Considered that the comprehensive works programme, announced since occupation began, with projects all over Canada, offered non-resident unemployed equal opportunities with other residents of provinces where they normally resided.

V. Why no immediate eviction

1. Government wholly sympathetic with unemployed

(a) making efforts to restore employment:

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1. by revival of trade and industry
2. by providing work and relief

(b) No desire to take precipitate action which would lead to bitterness if not violence.

(c) Felt patience and forbearance would reveal to men that their leadership unwise and misguided.

(d) Considered firmness of government in refusing to make unreasonable concessions in face of demonstration would appeal to some of the men.

2. Delay justified by event

(a) many occupants had either found jobs, accepted provincial offer or ~~drifted away.~~ realized futility + unwisdom of their course;

(b) Among remainder a certain proportion were "professional" unemployed.

(c) Numbers greatly reduced from about 1500 to ~~under~~ about 500, greatly lessening dangers of serious violence.

VI. Why action taken at this stage

1. Became apparent that some of the men would remain indefinitely unless their demands were met or force used.

2. Prolonged occupancy becoming serious nuisance to patrons of Post Office.

3. Menace to public health through risk of contagion.

4. Dominion government had to take initiative re Post Office which was federal property.

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VII. Every care taken in carrying out eviction

1. R.C.M.P. co-operated with local police.

2. Sunday morning chosen (5.00 a.m.) when buildings not in use and streets almost deserted.

3. Police had strict orders to take every precaution to avoid unnecessary injury to anyone.

4. Repeated warnings given before action finally taken.

5. Immediate care (hospital where necessary) given to injured.

6. No loss of life and ~~practically no~~ serious injuries: property damage unfortunate, but not large considering circumstances.

VIII. Government will take every step possible to see that men involved are not disqualified for seeking employment elsewhere.

Regret necessity of incident, but the fact that only a minority of men finally involved justifies patience and firmness of the Government.

Complete co-operation with provincial authorities throughout.

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H-100
H11-2
C150884

MEMORANDUM FOR THE PRIME MINISTER:

Re: Vancouver Unemployed

Mr. Rogers reports that the following particulars were communicated to him by Colonel Wood:

At 5 o'clock this morning, Vancouver time, the Postmaster twice requested the men in the Post Office to move out peacefully. When they on each occasion refused, the City Police, with the assistance of the R.C.M.P., used tear gas and removed the men. At the same time, the City Police ejected, after proper warnings, the men from the Art Gallery. The men from the Post Office did damage both to the Post Office and to stores along the streets after their ejection. A number of the men had to be carried out. There was no loss of life. One or two of the City Police were injured. Only one of the unemployed was seriously injured. Colonel Wood also stated that there was quite an exodus of men from the city in progress.

Mr. Mackenzie has had the following particulars from Colonel Foster:

Thirty cases of injuries on the part of the unemployed have been reported. A number of them are in hospital, but there are only three cases in all of any seriousness - one City Policeman suffered a broken leg and another a slight concussion. The leader of the men in the Post Office is seriously but not dangerously injured with concussion. Colonel Foster also reports considerable damage done to private property which may amount to four or five thousand dollars. The men were apparently in ugly mood. Mr. Mackenzie said, from other information reaching him from Vancouver, there is no doubt they have lost the sympathy of the citizens generally. Colonel Foster is sending, by night letter, to Mr. Mackenzie, copies of the instructions issued to the Police, indicating they were to use the utmost care in the eviction.

Mr. Rogers is of the opinion that a statement should be issued by the Prime Minister tonight. The attached draft has been read over the telephone to Mr.

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C150885

Euler in Kitchener, who will be in the city tomorrow, to Mr. Lapointe in Lucerne, to Mr. Mackenzie in the City, as well as to Colonel Wood, all of whom have agreed as to its terms.

E.A.P.

Statement
Ottawa opinion
Press 11.15 pm.

June 10, 1938

P:MAC

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Coll - Unemployment policy

C150886

Re Cost of Unemployment Relief

The Minister of Labour, speaking on unemployment and farm relief in the House of Commons, November 25, 1932, said:

> "For all of Canada this government has provided the sum $115,631,733.80 up to date for the purpose of tiding the provinces, the municipalities and the people generally over this trying period".

- Unrevised Hansard p. 1754.

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C150887

Expenditures on Unemployment Since Conservative Government Assumed Office, Aug. ~~7th,~~ ~~1930.~~ 1930.

(Information obtained from return to an Order of the House of Commons dated Feb. 6, 1933, presented by Secretary of State on Feb. 16, ~~1933~~ 1933)

Department	Amount Spent on Direct Relief	Amount Spent on Unemployment Schemes
Agriculture		6,999.79
Indian Affairs	1,930,577.00	
Interior	54,255.19	1,383,920.73
Labour	13,866,230.46	48,100,094.10
National Defence		113,640.90
Pensions & National Health	4,172,424.43	
Public Works		1,718,453.60
	$20,023,487.08	$51,293,109.12

Total re direct relief and unemployment schemes

- $71,316,596.20

Note: These figures are for amounts spent by Federal Government only.

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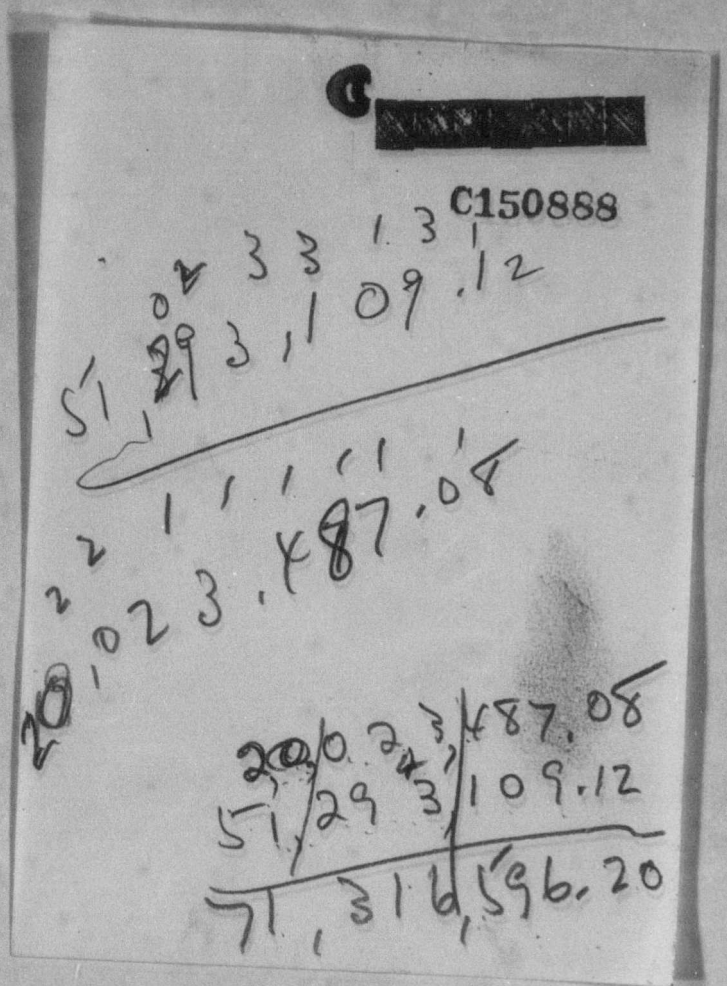

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S.P. 235
1932-33

Coll - Unemployment & Farm Relief

COPY. CANADA [redacted]

C150989

DEPARTMENT OF THE SECRETARY OF STATE

RETURN TO AN ORDER OF THE HOUSE OF COMMONS, dated 6th February, 1933 showing:

1. How much the present Government has spent in direct relief since assuming office.
2. How much was spent through unemployment schemes.
3. How much was loaned to provinces for relief work.
4. What amount was loaned to each province.

SGD. C. H. CAHAN
Secretary of State.

Ottawa, February 8, 1933.

So far as the Department of Agriculture is concerned:

1. Nil
2. 1931-32 $6,999.79
3. Nil
4. Nil

SGD. A. T. CHARRON,
Asst. Deputy Minister.

Ottawa, Ontario,
February 6th, 1933.

DEPARTMENT OF FINANCE

1. & 2 See reply from Department of Labor.
3. $9,473,212.00
4.

Manitoba	-	$2,900,000
Saskatchewan	-	1,673,212
Alberta	-	2,000,000
British Columbia	-	2,900,000 #

(These figures cover loans for public works only, and are exclusive of loans for direct relief, New York maturities, seed grain, etc.)

This is an approximate figure, as a loan of $2,000,000 to British Columbia, partly for relief works and partly for other relief measures, was not specifically allocated.

SGD. B. J. Robert
for Deputy Minister.

DEPARTMENT OF INDIAN AFFAIRS

1. $1,930,577.00
2. None
3. No information
4. Answered by No. 3.

ANSWER - HON. MR. MURPHY.

February 2nd, 1933.

DEPARTMENT OF THE INTERIOR

1. No direct relief was paid under authority of any of the Orders-in-Council covering Unemployment Relief Acts; but the following amounts were paid from Interior Department Votes:-

Parks -	Relief to Indigents	$7,371.70
N.W.T. -	Relief to destitute Whites and Half-breed children in the Mackenzie District and Eskimo in the N.W.T. and Northern Quebec -	46,883.49
		$54,255.19

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2. Canadian National Parks - $1,323,925.63
   Yukon - 29,995.10
   $1,353,920.75

C150890

3. Nil
4. Nil

ANSWER OF THE DEPARTMENT OF LABOUR

1. $13,866,230.46
2. $48,100,094.10
3. &
4. To be answered by Department of Finance.

Ottawa, February 2, 1933.

SGD. Deputy Minister of Labour.

DEPARTMENT OF NATIONAL DEFENCE

Ottawa, February 3, 1933.

1. Nil
2. $113,640.90
3 & 4 No information.

SGD. L. R. LaFleche
Deputy Minister.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

1.	Aug. 31, 1930 to Mar. 31, 1931	$731,648.36
	1931 - 32.....	2,082,052.10
	1932-33 (To Dec. 31, 1932)....	1,358,723.97
		$ 4,172,424.43

2. No information.
3. No information.
4. No information.

DEPARTMENT OF PUBLIC WORKS

Ottawa, Feb. 3, 1933.

1. No information.
2. 1931-32.....$1,592,933.46
   1932-33..... 125,520.14
   $1,718,453.60
3 & 4 - No information.

SGD. B. F. Hart.

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Cold - Unemployment policy.

C150891

Expenditures by Dominion Government re
Unemployment and Farm Relief, Etc.,
Since Aug. 7, 1930

Total Expenditure under 1930 Act (p.2624, Hansard Feb.24)		$17,987,173.86
Expenditure under 1931 Act:		
Public Works (not complete figures)	$34,008,878.29	
Direct Relief	11,668,789.79	45,677,662.08
(p.2624, Hansard Feb. 24, 1933)		
Advances to C.P.R. (p.2625, Hansard Feb. 24, 1933)		1,447,222.71
Wheat Bonus Four Western Provinces (p.2634, Hansard Feb.24, 1933)		12,720,121.07
Loans to Four Western Provinces Balances Outstanding		
Feb 14/33 Manitoba	$ 8,096,148.44	
Feb 14/33 Saskatchewan	20,903,921.66	
Feb 14/33 Alberta	6,178,045.83	
Feb 14/33 B. C.	5,873,809.80	41,051,925.73
Works in Parks (p.2635, Hansard, Feb. 24, 1933)		367,317.00
		$119,251,422.45

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C150892

Public Works Construction Act 1934.

Projects for Province of Alberta:

In P.M.'s Riding:-	Banff, Post Office & Administration Building	- $150,000	
	Bow River, Retaining Wall	150,000	
	Calgary, Barracks for Permanent Force	1,200,000	1,500,000
In Rest of Province:-	Edmonton, Royal C. M. Police Barracks	200,000	
	Keg River to Carcajou, Telephone Line	7,400	207,400
	Total for Province	-	$1,707,400

Percentage of Expenditures for Prime Minister's Riding to Total Expenditures for Province - 88%.

Projects for Province of Saskatchewan:

Outlook, Bridge across South Saskatchewan River	- $275,000
Regina, New Public Building (Site acquired)	400,000
Total for Province	$675,000

Note:- No projects for Prince Albert Constituency.

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P.W. C. Programme Unemployment Relief

Coll - Unemployment & Relief Policy

C150893

(1.)

Public Works Construction Programme/1934

Military and Police Expenditures

Appropriations contained in Schedule "A":

Barracks, Permanent Force, Calgary,	$1,200,000.
Barracks, R.C.M.P., Edmonton,	200,000.
Royal Military College, Kingston,	350,000.
Armoury, Montreal,	200,000.
R.C.M.P. Building, Ottawa,	1,200,000.
Armoury, Vancouver,	240,000.
	$ 3,390,000.

(added in Other Expenses)

(Total amount provided in Act $39,700,000.)

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Coll - Unemployment - Farm Relief

C150894

[redacted]

RECAPITULATION OF DOMINION DISBURSEMENTS
UNDER RELIEF LEGISLATION

March 22nd, 1934.

PROVINCE, Etc.	1930 ACT	1931 ACT	1932 ACT	1933 ACT	TOTAL
	$	$	$	$	$
Prince Edward Island	95,199.45	136,171.59	25,126.68	16,422.87	272,920.59
Nova Scotia	836,179.81	1,084,281.13	536,026.07	906,465.04	3,362,952.05
New Brunswick	503,689.87	768,982.72	222,074.33	459,494.53	1,954,241.45
Quebec	3,468,031.76	5,509,089.16	3,956,694.84	2,524,402.98	15,458,218.74
Ontario	4,692,650.50	11,119,811.86	7,810,208.16	7,753,625.54	31,376,296.06
Manitoba	1,632,926.00	3,365,885.00	1,740,998.04	1,887,955.92	8,627,764.96
Saskatchewan	1,919,280.92	2,973,134.38	1,131,597.94	733,890.99	6,757,904.23
Sask. Relief Comm.		5,372,971.30	4,459,919.11	830,269.16	10,663,159.57
Alberta	1,286,778.89	3,059,229.13	1,275,450.52	934,546.69	6,556,005.23
British Columbia	1,376,331.11	3,954,672.80	3,226,176.12	2,195,353.52	10,752,533.55
Dept. Public Works		1,726,732.64	6,904.43		1,733,637.07
Dept. National Defence		70,941.06	423,166.50	4,189,389.34	4,683,496.90
Dept. Interior (Inc. Yukon)	56,994.66	876,125.73	(x) 660,185.84	1,139,203.18	2,732,509.41
Dept. Railways and Canals		1,772,725.74		14,962.30	1,787,688.04
Dept. Justice		83,180.55			83,180.55
Dept. Agriculture		6,999.79	3,000.00		9,999.79
Nat. Batlflds. Comm		24,809.05			24,809.05
Board Railway Commissioners	500,000.00	500,000.00			1,000,000.00
Canadian Pacific Railway	863,550.00	209,196.98			1,072,746.98
Canadian National Railway	882,412.35				882,412.35
Transportation of Unemployed		45,065.90	11,513.46	12,429.61	69,008.97
Agr. Stabilization Fund				35,145.71	35,145.71
Dept. Trade & Commerce				22,223.28	22,223.28
Miscellaneous		1,832.97	3,243.78		5,076.75
Administration	43,061.97	85,203.51	67,576.14	78,500.02	274,341.64
TOTAL	18,157,087.29	42,747,042.99	25,559,861.96	23,734,280.68	110,198,272.92

(x) Incl. 107,809.82 recoverable from Provinces.

Loans + advances outstanding 52,927,267.47

Total 163,125,540.39

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SUMMARY OF LOANS AND ADVANCES OUTSTANDING

Manitoba	10,286,774.34
Saskatchewan (inc. Sask. Relief Comm.)	22,579,078.16
Alberta	10,229,859.03
British Columbia	7,384,332.63
Can. Pacific Railway Co	£,447,222.71
TOTAL	52,927,267.47

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Confidential

C150896

STATEMENT OF NUMBERS OF HEADS OF FAMILIES, DEPENDENTS, AND OTHERS REPORTED BY PROVINCES AS RECEIVING DIRECT RELIEF, BY MONTHS, 1933-1934.

Month	Number of Heads of Families	Number of Dependents on Heads of Families	Individual Relief Cases Covering one Person Only	Total Number Given Direct Relief
1933				
January	258,298	1,048,444	59,097	1,365,839
February	276,468	1,121,142	66,844	1,464,454
March	286,234	1,141,914	68,993	1,497,141
April	284,508	1,165,018	70,180	1,519,706
May	253,908	1,020,191	64,065	1,338,164
June	235,916	864,988	37,229	1,138,133
July	217,985	793,037	30,497	1,041,519
August	204,868	735,725	31,483	972,076
September	206,858	730,273	27,173	964,304
October	219,735	822,467	37,951	1,080,153
November	236,494	844,253	41,304	1,122,051
December	257,807	922,460	45,434	1,225,701
1934				
X January	260,157	980,218	42,210	1,282,585
X February	267,853	955,334	47,412	1,270,599

X January and February 1934 - Estimates supplied by the Provinces.

For information for years 1930-31, 1931-32, 1932-33 See Commissioner's Reports tabled ~~and~~ under previous Acts.

National Commission on
should have had an unemployment & will have had all these figures

[redacted]

Ottawa, March 23rd, 1934.

C150897

MEMORANDUM: Re the Request of the Right Hon., the Leader of the Opposition, for Figures Giving the Total Number of Persons Unemployed throughout Canada.

There are four governmental agencies through which unemployment statistical data are obtained: (1) the decennial census; (2) monthly returns received from trade unions throughout Canada giving the number of their membership and the number of these members unemployed as at the last day of each month; (3) the number of unplaced applicants registered at the offices of the Employment Service of Canada; and (4) the returns available through the operation of the Federal Unemployment Relief Act. With regard to the first of these indices, namely the decennial census, the figure showing the volume of unemployment in the summer of 1931 cannot be quoted as indicative of the condition prevailing today.

The latest returns tabulated showing the volume of unemployment in trade unions is that covering the situation as at January 31st, 1934. Returns for this date were received from 1,728 local unions representing approximately two-thirds of the total number of local unions in Canada. These organizations reported a total membership of 149,630, of whom 31,695 were unemployed, or a percentage of 21.2. This figure compares with 25.5, which was the percentage of members unemployed on January 31, 1933.

The practice of collecting returns from trade unions was instituted in 1916. During that year and until 1919 the returns were collected quarterly, but since 1919 these returns have been collected each month. Requests for the figures showing the total number of persons unemployed in Canada are being constantly made, and much thought has been given to the subject of devising a practicable scheme for collecting such data. However, the cost of setting up and operating machinery that would be competent to produce continuous, authentic and comprehensive data has been deemed to be prohibitive, but the right honourable gentleman, the Leader of the Opposition, may rest assured that if he can suggest any practicable scheme of securing such information, his suggestion will receive most sympathetic consideration. Even in the Mother Country, where an old established scheme of unemployment insurance, applied to industry on a very wide basis, is in operation, the total number of persons unemployed in that country can only be estimated. — follow method —

Commission on unemployment: to deal with question as a National problem
& to study re unemployment insurance

W.L.M. King Papers, Memoranda and Notes, 1933-1939
(M.G. 26, J 4, volume 221, pages C150386-C151101)

PUBLIC ARCHIVES
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CANADA

Coll- Unemployment + Farm Relief

[redacted]

C150898

Unemployment & Farm Relief

Total Expenditures, Loans, Guarantees by the Dominion Government

August 7, 1930 to March 22, 1934.

Expenditures		$110,198,272.92
Loans		52,927,267.47
Guarantees	$96,552,462.87	
Prime Minister's estimate of guarantee re Wheat . . .	15,000,000.00	111,552,462.87
	Total -	$274,678,003.26

Note: Figures re Expenditures and Loans obtained from statement tabled by Minister of Labour, March 23, 1934.
Figures re Guarantees obtained from statements of Minister of Labour in House of Commons, March 28, 1934, Hansard p. 2068 and p. 2082.
Prime Minister's estimate re amount of Guarantee re Wheat, Hansard p. 2057, March 27, 1934.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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C150899

[redacted]

March 22nd, 1934.

RECAPITULATION OF DOMINION DISBURSEMENTS
UNDER RELIEF LEGISLATION

PROVINCE, Etc.	1930 ACT	1931 ACT	1932 ACT	1933 ACT	TOTAL
	$	$	$	$	$
Prince Edward Island.....	95,199.45	136,171.59	25,126.68	16,422.87	272,920.59
Nova Scotia.....	836,179.81	1,084,281.13	536,026.07	906,465.04	3,362,952.05
New Brunswick.....	503,689.87	768,982.72	222,074.33	459,494.53	1,954,241.45
Quebec.....	3,468,031.76	5,509,089.16	3,956,694.84	2,524,402.98	15,458,218.74
Ontario.....	4,692,650.50	11,119,811.86	7,810,208.16	7,753,625.54	31,376,296.06
Manitoba.....	1,632,926.00	3,365,885.00	1,740,998.04	1,887,955.92	8,627,764.96
Saskatchewan.....	1,919,280.92	2,973,134.38	1,131,597.94	733,890.99	6,757,904.23
Sask. Relief Comm.....		5,372,971.30	4,459,919.11	830,269.16	10,663,159.57
Alberta.....	1,286,778.89	3,059,229.13	1,275,450.52	934,546.69	6,556,005.23
British Columbia.....	1,376,331.11	3,954,672.80	3,226,176.12	2,195,353,52	10,752,533.55
Dept. Public Works.....		1,726,732.64	6,904.43		1,733,637.07
Dept. National Defence.....		70,941.06	423,166.50	4,189,389.34	4,683,496.90
Dept. Interior (Inc. Yukon)....	56,994.66	876,125.73	(x) 660,185.84	1,139,203.18	2,732,509.41
Dept. Railways and Canals.....		1,772,725.74		14,962.30	1,787,688.04
Dept. Justice.....		83,180.55			83,180.55
Dept. Agriculture.....		6,999.79	3,000.00		9,999.79
Nat. Batlflds. Comm.....		24,809.05			24,809.05
Board Railway Commissioners....	500,000.00	500,000.00			1,000,000.00
Canadian Pacific Railway.....	863,550.00	209,196.98			1,072,746.98
Canadian National Railway.....	882,412.35				882,412.35
Transportation of Unemployed...		45,065.90	11,513.46	12,429.61	69,008.97
Agr. Stabilization Fund.....				35,145.71	35,145.71
Dept. Trade & Commerce.....				22,223.28	22,223.28
Miscellaneous.....		1,832.97	3,243.78		5,076.75
Administration.....	43,061.97	85,203.51	67,576.14	78,500.02	274,341.64
TOTAL.....	18,157,087.29	42,747,042.99	25,559,861.96	23,734,280.68	110,198,272.92

(x) Incl. 107,809.82 recoverable from Provinces.

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C150900

SUMMARY OF LOANS AND ADVANCES OUTSTANDING

Manitoba	10,286,774.34
Saskatchewan (inc. Sask. Relief Comm.)	22,579,078.16
Alberta	10,229,859.03
British Columbia	7,384,332.63
Can. Pacific Railway Co	2,447,222.71
TOTAL	52,927,267.47

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Vol - Returns

Coll - Unemployment + Farm Relief

C150901

[redacted]

RECAPITULATION OF DOMINION DISBURSEMENTS
UNDER RELIEF LEGISLATION

March 22nd, 1934.

PROVINCE, Etc.	1930 ACT	1931 ACT	1932 ACT	1933 ACT	TOTAL
	$	$	$	$	$
Prince Edward Island.....	95,199.45	136,171.59	25,126.68	16,422.87	272,920.59
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Sask. Relief Comm.....		5,372,971.30	4,459,919.11	830,269.16	10,663,159.57
Alberta.....	1,286,778.89	3,059,229.13	1,275,450.52	934,546.69	6,556,005.23
British Columbia.....	1,376,331.11	3,954,672.80	3,226,176.12	2,195,353.52	10,752,533.55
Dept. Public Works.....		1,726,732.64	6,904.43		1,733,637.07
Dept. National Defence.....		70,941.06	423,166.50	4,189,389.34	4,683,496.90
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Nat. Batlflds. Comm.....		24,809.05			24,809.05
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Administration.....	43,061.97	85,203.51	67,576.14	78,500.02	274,341.64
TOTAL.....	18,157,087.29	42,747,042.99	25,559,861.96	23,734,280.68	110,198,272.92

(x) Incl. 107,809.82 recoverable from Provinces.

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W.L.M. King Papers, Memoranda and Notes, 1933-1939
(M.G. 26, J 4, volume 221, pages C150386-C151101)

[redacted]

C150902

SUMMARY OF LOANS AND ADVANCES OUTSTANDING

Manitoba	10,286,774.34
Saskatchewan (inc. Sask. Relief Comm.)	22,579,078.16
Alberta	10,229,859.63
British Columbia	7,384,332.63
Can. Pacific Railway Co.	2,447,222.71
TOTAL	52,927,267.47

Guarantees & Bonds 106.000 ow

Wheat Pool 13

158.000
110
268
13
281

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W.L.M. King Papers, Memoranda and Notes, 1933-1939
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STATEMENT OF NUMBERS OF HEADS OF FAMILIES, DEPENDENTS, AND OTHERS REPORTED BY PROVINCES AS RECEIVING DIRECT RELIEF, BY MONTHS, 1933-1934.

Month	Number of Heads of Families	Number of Dependents on Heads of Families	Individual Relief Cases Covering one Person Only	Total Number Given Direct Relief
1933				
January	258,298	1,048,444	59,097	1,365,839
February	276,468	1,121,142	66,844	1,464,454
March	286,234	1,141,914	68,993	1,497,141
April	284,508	1,165,018	70,180	1,519,706
May	253,908	1,020,191	64,065	1,338,164
June	235,916	864,988	37,229	1,138,133
July	217,985	793,037	30,497	1,041,519
August	204,868	735,725	31,483	972,076
September	206,858	730,273	27,173	964,304
October	219,735	822,467	37,951	1,080,153
November	236,494	844,253	41,304	1,122,051
December	257,807	922,460	45,434	1,225,701
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X January	260,157	980,218	42,210	1,282,585
X February	267,853	955,334	47,412	1,270,599

X January and February 1934 - Estimates supplied by the Provinces.

For information for years 1930-31, 1931-32, 1932-33 See Commissioner's Reports tabled ~~dealt~~ under previous Acts.

[redacted]

C150904

Ottawa, March 23rd, 1934.

MEMORANDUM: Re the Request of the Right Hon., the Leader of the Opposition, for Figures Giving the Total Number of Persons Unemployed throughout Canada.

There are four governmental agencies through which unemployment statistical data are obtained: (1) the decennial census; (2) monthly returns received from trade unions throughout Canada giving the number of their membership and the number of these members unemployed as at the last day of each month; (3) the number of unplaced applicants registered at the offices of the Employment Service of Canada; and (4) the returns available through the operation of the Federal Unemployment Relief Act. With regard to the first of these indices, namely the decennial census, the figure showing the volume of unemployment in the summer of 1931 cannot be quoted as indicative of the condition prevailing today.

The latest returns tabulated showing the volume of unemployment in trade unions is that covering the situation as at January 31st, 1934. Returns for this date were received from 1,728 local unions representing approximately two-thirds of the total number of local unions in Canada. These organizations reported a total membership of 149,630, of whom 31,695 were unemployed, or a percentage of 21.2. This figure compares with 25.5, which was the percentage of members unemployed on January 31, 1933.

The practice of collecting returns from trade unions was instituted in 1916. During that year and until 1919 the returns were collected quarterly, but since 1919 these returns have been collected each month. Requests for the figures showing the total number of persons unemployed in Canada are being constantly made, and much thought has been given to the subject of devising a practicable scheme for collecting such data. However, the cost of setting up and operating machinery that would be competent to produce continuous, authentic and comprehensive data has been deemed to be prohibitive, but the right honourable gentleman, the Leader of the Opposition, may rest assured that if he can suggest any practicable scheme of securing such information, his suggestion will receive most sympathetic consideration. Even in the Mother Country, where an old established scheme of unemployment insurance, applied to industry on a very wide basis, is in operation, the total number of persons unemployed in that country can only be estimated.

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S.P. 84

Coll - Unemployment + Farm Relief

[redacted]

C150905

STATEMENT OF AMOUNTS REFUNDED BY THE PROVINCES TO THE DOMINION UNDER VARIOUS RELIEF ACTS

AS AT MARCH 24, 1934

Province	The Unemployment Relief Act, 1930	The Unemployment & Farm Relief Act, 1931 & Continuance Act, 1932	The Relief Act, 1932	The Relief Act, 1933	Total	
	$	$	$	$	$	
Pr. Edward Island	- -	- -	- -	- -	- -	
Nova Scotia	- -	- -	- -	- -	- -	
New Brunswick	- -	- -	218.02	- -	218.02	
Quebec	- -	- -	- -	- -	- -	Instigated through Auditor General's investigations and reports.
Ontario	- -	4,386.34	- -	- -	4,386.34	
Manitoba	- -	3,853.03	3,980.47	- -	7,833.50	
Saskatchewan	15,037.22	3,790.78	- -	- -	18,828.00	
Alberta	- -	- -	- -	- -	- -	
Br. Columbia	572.50	23,383.76	- -	- -	23,956.26	
TOTALS	15,609.72	35,413.91	4,198.49	- -	55,222.12	
Pr. Edward Island	- -	- -	- -	- -	- -	
Nova Scotia	- -	3,651.50	- -	- -	3,651.50	
New Brunswick	- -	- -	63.05	- -	63.05	
Quebec	5,814.76	22,050.86	7,688.99	8,183.63	43,738.24	Instigated through inquiries and investigations by Department of Labour, also amounts voluntarily refunded by the Provinces.
Ontario	- -	49,061.08	28,614.08	343.27	78,018.43	
Manitoba	145.06	1,569.30	285.45	19.23	2,019.04	
Saskatchewan	118.03	1.13	265,009.33	7,436.36	272,564.85	
Alberta	1,174.73	5,347.67	2,290.50	1,982.01	10,794.91	
Br. Columbia	3.10	490.48	10,108.48	1,353.81	11,955.87	
TOTALS	7,255.68	82,172.02	314,059.88	19,318.31	422,805.89	
GRAND TOTALS	$22,865.40	$117,585.93	$318,258.37	$19,318.31	$478,028.01	

C O P Y

P.C. 222

C150906

PRIVY COUNCIL

(SEAL)

CANADA

AT THE GOVERNMENT HOUSE AT OTTAWA

MONDAY, the 12th day of MARCH, 1934.

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

WHEREAS the Relief Act, 1932, empowers the Governor General in Council, notwithstanding the provisions of any statute of law, inter alia, to enter into agreements with any of the provinces respecting relief measures therein, and also, (in addition to such relief and other measures specified in the said Act) to take all such other measures as might be deemed necessary or advisable for carrying out the provisions of the said Act;

AND WHEREAS agreements having been entered into with the various Provinces of Canada respecting relief measures therein under the authority of the Relief Act, 1932, and other measures of relief undertaken under the antecedent legislation respecting unemployment relief and need having arisen in consequence for the conduct of audits of provincial accounts relating to relief expenditures and the investigation of the provincial system of auditing municipal relief accounts, it was directed by Order in Council, dated September 30th, 1932, (P.C. 2163), passed under the authority of the Relief Act, 1932, that:

(a) "The Auditor General.....conduct such audit of provincial accounts in connection with unemployment relief expenditures as he deems essential to safeguard the interests of the Dominion Treasury"; and

(b) "The Auditor General.....investigate the provincial systems of auditing municipal relief accounts to the end that the Dominion Government may be satisfied that the municipal accounts put forward by the Provinces are in accordance with the agreements entered into between the Dominion Government and the Provinces."

The Honourable

the Minister of Labour

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AND WHEREAS since the foregoing directions were given, further agreements with the various Provinces respecting relief measures therein have been entered into, and expenditures incurred thereunder, under the authority of the Relief Act, 1933;

AND WHEREAS the audits and investigations which have been made and reported upon by the Auditor General, in pursuance of the directions hereinbefore recited, have disclosed the necessity for a more extended audit of the accounts relating to relief expenditures if the interests of the Dominion Treasury are to be adequately safeguarded;

AND WHEREAS the Governor General in Council is empowered under the provisions of the Relief Act, 1933, notwithstanding the provisions of any statute or law, to take all such other measures (in addition to those therein specified), as may be deemed necessary and advisable for carrying out the provisions of the said Act;

NOW THEREFORE His Excellency the Governor General in Council, on the recommendation of the Minister of Labour, is pleased in the exercise of the powers so conferred by the Relief Act, 1933, to order and doth hereby order and direct the Auditor General to conduct such audit of provincial and municipal accounts in connection with unemployment relief expenditures as he deems essential to safeguard the interests of the Dominion Treasury.

(Sgd.) E. J. Lemaire,

Clerk of the Privy Council.

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C O P Y

THE RELIEF ACT, 1932

P. C. 2163

C150908

Certified to be a true copy of Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 30th September, 1932.

The Committee of the Privy Council have had before them a report, dated 27th September, 1932, from the Minister of Labour, submitting as follows:

1. That Parliament has enacted legislation dealing with relief which may be cited as

The Unemployment Relief Act, 1930,
The Unemployment and Farm Relief Act, 1931,
The Unemployment and Farm Relief Continuance Act, 1931,
The Relief Act, 1932.

2. That the Auditor General has had a survey made in the offices of the Ontario Government at Toronto, of the accounts, records, etc., of payments made to the Province of Ontario under the agreements entered into under the provisions of the Unemployment and Farm Relief Act, 1931, and has advised the Minister that his investigations indicate:

(a) The Province does not receive sufficient proof of payments made under the Act by Municipalities.

(b) The Province relies almost entirely upon the good faith of the officers of the municipalities for assurance that claims are made only for expenditures properly chargeable against the Dominion.

(c) It appears that claims have already been presented and payments made thereon which may be open to question.

(d) In the case of expenditure where the proportion payable by the municipality is collected from private sources, the municipality is thereby exempt from payment of any portion of such expenditure.

3. That under date of April 20th, 1932, the Auditor General advised the Minister that accounts submitted for payment based on agreements with the Provinces under the Unemployment and Farm Relief Act, 1931, were in the approved form, certified by authorized officers of the Provincial Governments and officers of the Department of Labour, who passed them for payment after examination, and that this procedure was considered a sufficient safeguard for the payment of the Federal Government's share of the expenditure, and for that reason the Auditor General was justified in taking no exception to the general principles under which the accounts were administered nor "until recently of the ultimate effects of certain interpretations of the regulations under which the moneys voted were to be paid".

4. That under date of July 4th, 1932, the Auditor General has submitted a report made by his officers dated June 27th, 1932, being the result of an investigation made of the accounts and records of the Saskatchewan Relief Commission at Regina, and that in this report it is stated "The test audit made by me does not relieve the Department of Labour from making the detailed audit called for by Section 54 of the Consolidated Revenue and Audit Act, Chapter 178, R.S. 1927".

5. That under date of August 2nd, 1932, the Auditor General has submitted a report dated July 30th, 1932, being an investigation of unemployment relief payments in the Province of Saskatchewan made outside of the area administered by the

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CANADA

C150909

Relief Commission, or which were made in Saskatchewan prior to the date of the inception of the Commission (August 25th, 1931), the period covered by the test audit being from October 10th, 1930 (the date on which the relief agreement under authority of the Unemployment Relief Act, 1930, was signed) to April 30th, 1932.

6. That at a conference between the Minister, the Auditor General and the Commissioner of Unemployment Relief on September 6th, 1932, the Auditor General maintained that the Dominion Government was responsible for the auditing of the Provincial Government's accounts but was of the view that the auditing of municipal accounts was the responsibility of the Provinces.

7. That Clause 6 of the agreements entered into with the Provinces under the Unemployment and Farm Relief Act, 1931, provided that "The Dominion shall pay to the Province for remittance to any municipality such proportion of the cost of construction of municipal works and undertakings carried out to provide work for the unemployed as may be agreed upon between the Province and the Dominion,....."

8. That the Auditor General has interpreted Clause 6 of the agreements referred to in the preceding paragraph to exclude municipal works and undertakings if the municipality charge any part of the costs to persons or properties directly benefited and has suggested that a test audit be made "If the Department cannot assure this office that no such amounts are included in the claims, and that they have checked the claims at the point of issue".

9. That Clause 1 of the agreements entered into with the Provinces under the Unemployment and Farm Relief Act, 1931, provides that "the Dominion shall pay to the Province for remittance to any Municipality within the Provincial territory such proportion of the expenditures of the municipality for direct relief .... as may be agreed upon between the Province and the Dominion".

10. That the Auditor General has interpreted Clause 1 of the agreement referred to in the preceding paragraph so as to exclude contribution in cases where the municipal contribution or part of the municipal contribution is provided by "private" subscription, including in this expression contributions made by local organizations, such as the Red Cross Society.

11. That the form of certificate to be rendered by the Province in connection with the submission of relief expenditures was submitted to the Auditor General on October 29th, 1930, and that the Auditor General under date of November 5th, 1930, stated "In reply to your letter of October 29th enclosing a form of certificate which it is proposed to send to the various Provinces to be filled in as indicated thereon, with the particulars of all projects undertaken by the various Provinces and municipalities claiming aid from the Federal Government under the Unemployment Relief Act, 1930, I am of opinion that if the particulars asked for thereon are carefully prepared and signed by the appropriate Provincial officers, the information thus provided will be sufficient for my purpose".

12. That with only minor modifications made necessary by difference in arrangements with the Provinces, similar forms of certificate continued to be received from the Provinces under the Unemployment and Farm Relief Act, 1931, and The Relief Act, 1932, and that such certificates, with their supporting statements of accounts, have been submitted to the Auditor General and have been, since the inception of the Unemployment Relief Branch of the Department of Labour, accepted by the Auditor General; and that in due course cheques to the various Provinces have been issued with the counter signature of the Auditor General's representative.

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C150910

13. That as a result of the Auditor General's advice on November 5th, 1930, that the certificates proposed would be sufficient for his purposes, it has not been deemed necessary to carry out any audit of the Provincial and municipal records, and the audit of the Unemployment Relief Branch has been confined to the checking of certified accounts as received from the Provinces.

14. That the Unemployment Relief Branch has relied upon the Auditor General for any necessary additional audit as the staff of the Branch does not include personnel necessary to carry out an audit in the field.

In view of the foregoing, the Minister recommends that the Auditor General be authorized to conduct such audit of Provincial accounts, in connection with unemployment relief expenditures, as he deems essential to safeguard the interests of the Dominion Treasury;

And that the Commissioner of Unemployment Relief and the Auditor General be authorized to accept from the Provinces accounts rendered under Clause 6 of the agreements under the Unemployment and Farm Relief Act, 1931, and to provide for Dominion contributions to such accounts irrespective of whether such accounts cover what are known as local improvement works to which the local proprietors will eventually contribute, or otherwise;

And that, further, the Commissioner of Unemployment Relief and the Auditor General be authorized to accept accounts from the Provinces under Clause 1 of the agreements entered into under the Unemployment and Farm Relief Act, 1931, and to pass for payment the accounts for the Dominion contribution to the expenditures reported by the Provinces as having been made by the municipality, including in such municipal expenditures amounts voluntarily contributed by individuals, business firms, or associations, to the municipality, providing that such amounts have been utilized solely for relief purposes, and have been expended under the jurisdiction of the municipal authorities; and provided that such funds have not been raised by arbitrary deductions from wages payable to those engaged on relief work.

The Minister further recommends that the Auditor General be authorized to investigate the Provincial systems of auditing municipal relief accounts, to the end that the Dominion Government may be satisfied that the municipal accounts put forward by the Provinces are in accordance with the agreements entered into between the Dominion Government and the Provinces.

The Committee concur in the foregoing recommendations and submit the same for approval.

(Sgd.) E. J. Lemaire,

Clerk of the Privy Council.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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Bill - Unemployment + Farm Relief.

[redacted]

C150911

Unemployment and Farm Relief

Total Expenditures, Loans, Guarantees

Made by the Dominion Government

August 7, 1930 to March 31, 1934

Expenditures		$ 111,906,812.67
Loans		$ 53,936,997.63
Guarantees	$ 96,552,462.87	
Prime Minister's estimate of guarantee re Wheat	$ 15,000,000.00	$ 111,552,462.87
Total Expenditures		$ 277,396,273.17

Note: Figures re Expenditures and Loans obtained from Report on "Relief Act 1933" pp. 27-28.
Figures re Guarantees obtained from statements of Minister of Labour in House of Commons, March 28, 1934, Hansard p. 2068 and p. 2082.
Prime Minister's estimate re amount of Guarantee re Wheat, Hansard p. 2057, March 27, 1934.

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CANADA

Coll. Unemployment + Farm Relief

[redacted]

COPY. S.P. 149D

CANADA

C150912

DEPARTMENT OF THE SECRETARY OF STATE

RETURN TO AN ORDER OF THE HOUSE OF COMMONS, dated 7th February, 1934 showing:

A copy of pay lists showing the moneys expended in wages or salaries to foremen, superintendents, inspectors and subfremen, in connection with unemployment relief in Prince Albert National Park. Such lists to indicate amounts paid monthly from the time the camps were established in the said park to date.

(Sgd.) C .H. CAHAN

Secretary of State.

Reference No. 37

Mover: Mr. Vallance

Dated: April 27, 1934.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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C150913

OFFICE OF
THE DEPUTY MINISTER OF THE INTERIOR
OTTAWA, CANADA,

26 th April 1934.

Sir:

Referring to the Order of the House of Commons, Reference No.37, dated the 7th February mover Mr. Vallance, M.P., for a copy of paylists showing the moneys expended in wages or salaries to forement, etc., in connection with unemployment relief in Prince Albert National Park, I am attaching hereto a statement furnishing the information asked for insofar as the Department oc the Interior is concerned.

Yours very Truly,

(Sgd) R. Gibson.

E.H. Coleman, Esq. K. C.
Under Secretary of State,
Ottawa.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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COPY OF PAY-LISTS SHOWING WAGES OR SALARIES PAID TO FOREMEN AND SUB-FOREMEN BY MONTHS FOR THE FISCAL YEAR S 1931-32, 1932-33 AND FROM APRIL 1, 1933 TO JAN. 31,1934. NO PAYMENTS WER E MADE TO SUPERINTENDENTS OR INSPECTORS.

C150914

1931-32.

1931	Name	Capacity	No.of hours	Rate	Amount	Less Board & Stores	Balance Due.	Ck.N
Sept.	Brooks, Robt.	Foreman	131	.50	$65.50	17.57	47.93	13515
	Pratt,G.	Sub- "	24	.40	9.60	-	9.60	13520
	Frigstad,I.	Foreman	66	.50	33.00	9.65	23.35	13564
	Logan,J.M.	Sub- "	89	.40	35.60	12.75	22.85	13600
					143.70	39.97	103.73	
Oct.	Pratt, G.	Sub- "	164	.40	65.60	20.40	45.20	13673
	Grisgstad,I.	Foreman	216	.50	108.00	26.35	81.65	13735
	Elphicks,S.	Sub- "	118	.10	11.80	-	11.80	13740
	Elphicks,S.	" "	102	.30	30.60	11.05	19.55	13742
	Brooks,R.	Foreman	216	.50	108.00	26.35	81.65	13760
	Booth,C.H.	"	40	.50	20.00	4.25	15.75	13761
	Logan v.M.	"	89	.10	8.90	-	8.90	13770
	" "	"	112	.50	56.00	13.90	42.10	"
					408.90	102.30	306.60	
Nov.	Booth,C.H.	Foreman	88	.50	44.00	11.35	32.65	13839
	Elphicks,S.	Sub- "	96	.45	43.20	12.20	31.00	13969
	Brooks,R.	Foreman	40	.50	20.00	5.10	14.90	13976
	Frigstad, I.	"	96	.50	48.00	15.30	32.70	13898
	Leckie,R.J.	"	72	.50	36.00	9.80	26.20	13961
					191.20	53.75	137.45	
Dec.	Crawford,Geo.	Foreman	144	.50	72.00	18.30	53.70	56047
	Leckie,R.	"	211	.50	105.50	33.05	72.45	56115
					177.50	51.35	126.15	
1932 Jan.	Leckie,R	"	88	.50	44.00	13.65	30.35	56163
	Crawford,Geo.	"	168	.50	84.00	22.85	61.15	56210
	Strong B.	Sub- "	132	.15	19.80	-	19.80	56229
	Frigstad,I.	Foreman	132	.50	66.00	17.75	48.25	56247
	McLeod,H.	"	144	.50	72.00	19.40	52.60	56262
	McTaggart,F.	"	56	.50	28.00	7.95	20.05	56283
	Trombley,L.	Sub- "	116	.45	52.20	-	52.20	56292
					366.00	81.60	284.40	
Feb.	Strong,B.	Sub- "	200	.45	90.00	1.45	88.55	56373
	Frigstad,I.	Foreman	210	.50	105.00	25.65	79.35	56395
	McLeod,H.	"	206	.50	103.00	26.40	76.60	56403
	Trombley,L.	Sub- "	200	.45	90.00	-	90.00	56414
					388.00	53.50	334.50	
Mch.	Strong,B.	Sub- "	16	.45	7.20	-	7.20	56432
					7.20		7.20	

1932 - 1933

			No.Days					
Nov.	McKee,A.E.	Sub- "	9	$40.	14.40	9.60	4.80	1045
	Cossette,A.	" "	9	40.	14.40	-	14.40	1046
	Taggart,F.	Foreman	25	60.	60.00	2.90	57.10	1048
	Brooks,H.	"	22	60.	52.80	2.25	50.55	1112
	Brown,A.R.	Sub- "	14.	40.	22.40	1.35	21.05	1134
	Thorsen,C.	Foreman	24½	60.	58.80	.50	58.30	1138
	Rose,D.	Sub- "	25	40.	40.00	1.00	39.00	1154
	Lund,P.	" "	16	40.	25.60	.50	25.10	1159
	Thompson,Geo.	" "	3	40.	4.80	-	4.80	1177
	Drabiniasty,M.	" "	½	40.	.80	-	.80	1178
	Leckie,R.	Foreman	13	60.	31.20	.50	30.70	1187
	Craig,J.W.	" "	2	40.	3.20	-	3.20	1201
	Eddy,W.R.	Foreman	12	60.	28.80	2.44	26.36	1219

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1932	Name	Capacity	No. Days	Rate Monthly	Amount	Less Board & Stores	Balance due	Ck.No.
Nov.	Lalonde,F.W.	Sub-foreman	1	$40.	1.60	-	1.60	1244
	Booth,C.H.	"	25	60.	60.00	1.25	58.75	1245
	Miettinen,A.	" "	20	40.	32.00	.50	31.50	1278
	Fox, T.	" "	14	40.	22.40	4.75	17.65	1281
	Christiana,T.J.	" "	5	40.	4.80	-	4.80	1299
					178.00	27.54	450.46	
Dec.	Goodfellow,W.	" "	26	55.	55.00	-	55.00	1380
	Thorsen,C.	" "	26	60.	60.00	.50	59.50	1409
	Rose, D.	" "	26	40.	40.00	2.69	37.31	1427
	Lund, P	" "	26	40.	40.00	.50	39.50	1432
	Thompson,G.	" "	26	40.	40.00	2.54	37.46	1447
	Drabiniasty,M	" "	26	40.	40.00	9.24	30.76	1448
	Wilkinson,F.	" "	24	40.	36.92	9.67	27.25	1453
	Craig,J.W.	" "	26	40.	40.00	4.06	35.94	1476
	Dupuis,D.J.	" "	13	40.	20.00	3.39	16.61	1505
	Booth,C.H.	Foreman	26	60.	60.00	8.14	51.86	1565
	Fox, T.		26	40.	40.90	3.05	36.95	1596
	Christiana,T.J.		26	40.	40.00	3.46	36.54	1612
	Garvin,A.		20	40.	30.77	3.84	26.93	1629
	Gillen,W.C.		25	40.00	38.46	7.79	30.67	1734
	McLeod,H.		18	40.	27.69			
	" "	"	8	60.	18.46	2.09	44.06	1735
	Brown,A.R.	" "	26	40.	40.00	1.62	38.38	1736
	Crawford,G.	"	5	60.	11.55	-	11.55	1769
	McQuarrie,A.R.	"	23	60.	53.07			
	" "	" "	3	40.	4.61	3.41	54.27	1771
	Taggart,F.	"	12	60.	27.69	.14	27.55	1845
	Strick,F.	" "	26	40.	40.00	.50	39.50	1920
	Eddy,W.G.	"	26	60.	60.00	.54	59.46	1938
	Lalonde,F.W.	" "	15½	40.	23.85	1.52	22.33	1957
	Murphy,J.	" "	26	40.	40.00	5.51	34.49	1958
	Bremner,W.	" "	13	40.	20.00	.50	19.50	1987
	Campbell,R.	" "	18	40.	27.69	2.12	25.57	2034
	Smith,W.J.	" "	18	40.	27.69	3.75	23.94	2036
	Higgins,J.H.	"	18	60.	41.53	2.15	39.38	2037
	Fisher,W.T.	" "	3	40.	4.62	4.05	.57	2066
	Brooks,H,	"	19	60.	43.84	2.28	41.56	2070
	Finch,W.J.	"	4	40.	6.15	4.85	1.30	2104
	Moore,J.	" "	2	40.	3.08	2.30	.78	2106
	Reece,J.	" "	21	40.	32.31	1.47	30.84	2125
	McKee,A.E.	" "	26	40.	40.00	3.47	36.53	2133
					1,174.98	101.14	1,073.84	
1933 Jan.	Prigstad,L.	"	15	60.	36.00	.50	35.50	2259
	Goodfellow,W.	" "	26	55.	55.00	-	55.00	2296
	Trombley,L.	" "	10	55.	22.00	-	22.00	2297
	Leckie,R.J.	"	25	60.	60.00	3.75	56.25	2316
	Rose,D.	" "	25	40.00	40.00	5.57	34.43	2351
	Finch.W.J.	" "	25	40.	40.00	4.05	35.95	2387
	McLeod,H.	"	25	60.	60.00	2.75	57.25	2444
	Gillen,W.C.	" "	23	40.	36.80	4.72	32.08	2443
	Brown,A.R.	" "	25	40.	40.00	4.61	35.39	2445
	Booth,C.H.	"	25	60.00	60.00	2.87	57.13	2473
	Fox. T.	" "	25	40.	40.00	1.49	38.51	2497
	Christianna,T.J.	"	22½	40.	36.00	2.64	33.36	2511
	Stewart,M.	" "	14	40.	22.40	.50	21.90	2566
	Crawford,G.	"	25	60.	60.00	3.50	56.50	2570
	Brown,M.C.	" "	10½	40.	16.80	.18	16.62	2601
	Moor,J.	" "	25	40.	40.00	7.86	32.14	2515
	Craig,J.	" "	25	40.	40.00	4.39	35.61	2632
	Dupuis, D.J.	" "	13½	40.	21.60	5.34	16.26	2659
	Henderson,J.	" "	21	40.	33.60	2.32	31.28	2715
	Thorson,C.	" "	25	60.	60.00	2.25	57.75	2725
	Thompson,G.	" "	25	40.	40.00	1.52	38.48	2741
	Drabiniasty,M.	" "	25	40.	40.00	3.26	36.74	2742
	Wilkinson,F.	" "	25	40.	40.00	1.16	38.84	2744

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1933 Jan.	Name	Capacity	No. Days.	No. Rate	Amount	Less Board & Stores	Bal. Due.	Ck.No.
	Eddy, W.G.	Foreman	25	$60.	60.00	1.27	58.73	2834
	Lalonde,F.W.	Sub-Foreman	22	40.	35.20	2.21	32.99	2855
	Murphy,J.	" "	25	40.	40.00	4.33	35.67	2856
	Bremner,W.	" "	25	40.	40.00	2.86	37.14	2887
	McKee,A.E.	" "	25	40.	40.00	5.14	34.86	5017
	Stretch,F.	" "	25	40.	40,00	1.66	38.34	5018
	Gunville,W.	" "	25	40.	40.00	4.85	35.15	5053
	McQuarrie,A.R.	" "	25	60.	60.00	4.16	55.84	5054
	Gruben,S.	" "	12	40.	19.20	-	19.20	5068
	Lightle,E.	" "	12	40.	19.20	7.24	11.96	5073
	Kam,A.	" "	6	40.	9.60	3.16	6.44	5155
	Campbell, R.	" "	25	40.	40.00	6.29	33.71	5163
	Smith,W.J.	" "	25	40.	40.00	1.46	38.54	5164
	Higgins,J.H.	"	25	60.	60.00	.50	59.50	5165
	Fisher,W.F.	" "	25	40.	40.00	3.65	36.35	5190
	Dagg,D.	" "	14	40.	22.40	4.32	18.08	5240
	Lund,P.	"	14	60.	33.60			
	" "	" "	11	40.	17.60	2.91	48.29	5243
	Thompson,E.W.	" "	11	40.	17.60	-	17.60	5248
	Hill,W.J.	" "	10½	40.	16.80	.72	16.08	5263
					1,631.40	121.96	1,509.44	
Feb.	Goodfellow,W.	" "	24	55.	55.00	-	55.00	5433
	Rose,D.	" "	24	40.	40.00	10.90	29.10	5479
	Gunville,W.	" "	24	40.	40.00	4.56	35.44	5509
	McQuarrie,A.R.	"	24	60.	60.00	2.70	57.30	5510
	Gruben, S.	" "	24	40.	40.00	5.05	34.97	5524
	Lightle,E.	" "	24	40.	40.00	2.39	37.61	5531
	Kam,A.	" "	24	40.	40.00	2.24	37.76	5617
	Booth,C.H.	"	24	60.	60.00	1.74	58.26	5642
	Fox,T.	" "	24	40.	40.00	1.51	38.49	5665
	Christianna,T.J.	"	19	40.	31.66	1.94	29.72	5680
	Kelly,F.	" "	8	40.	13.33	-	13.33	5681
	Eddy,W.G.	"	24	60.	60.00	1.85	58.15	5746
	Brown,Geo.	" "	14	40.	23.33	-	23.33	5763
	Lalonde,F.W.	" "	24	40.	40.00	4.11	35.89	5768
	Murphy,J.	" "	24	40.	40.00	4.45	35.55	5769
	Bremner,W.	" "	24	40.	40.00	3.04	36.96	5798
	Stewart,M.	" "	24	40.	40.00	.50	39.50	5845
	Moore,J.	" "	24	40.	40.00	1.97	38.03	5848
	Crawford,G.	"	24	60.	60.00	.83	59.17	5850
	Brown,M.C.	" "	24	40.	40.00	5.20	34.80	5879
	Leckie,R.J.	"	24	60.	60.00	4.35	55.65	5930
	Craig,J.	" "	24	40.	40.00	3.64	36.36	5938
	Dupuis,D.J.	" "	24	40.	40.00	7.19	32.81	5965
	Henderson,J.	" "	24	40.	40.00	2.30	37.70	6014
	Taggart,F.	"	24	60.	60.00	4.95	55.05	6028
	Reece,J.	" "	22	40.	36.66	2.48	34.18	6038
	McKee,A.E.	" "	24	40.	40.00	6.74	33.26	6100
	Garvin,A.	" "	24	40.	40.00	3.39	36.61	6101
	Stretch,F.	" "	24	40.	40.00	2.08	37.92	6121
	Thorsen,C.	"	24	60.	60.00	1.23	58.77	6136
	Wilkinson,F.	" "	24	40.	40.00	1.80	38.20	6153
	Brown,A.R.	" "	24	40.	40.00	2.91	37.09	6267
	McLeod,H.	"	24	60.	60.00	4.09	55.91	6268
	Gillen,W.C.	" "	23	40.	38.33	6.01	32,32	6269
	Finch,W.J.	" "	24	40.	40.00	4.43	35.57	6322
	Campbell,R.	" "	24	40.	40.00	3.01	36.99	5348
	Smith,W.J.	" "	24	40.	40.00	1.55	38.45	5349
	Higgins,J.H.	"	24	60.	60.00	3.72	56.28	5350
	Fisher,W.T.	" "	24	40.	40.00	2.66	37.34	6374
	Dagg,D.	" "	24	40.	40.00	1.82	38.18	6450
	Lund,P.	"	24	60.	60.00	2.60	57.40	6453
	Thompson,E.W.	" "	4	40.	6.67	1.15	5.52	6456
	Hill, W.J.	" "	24	40.	40.00	3.18	36.82	6467
	Cane, K.	" "	24	40.	40.00	3.02	36.98	6468

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1933	Name	Capacity	No. Days	Monthly Rate	Amount	Less Board & Stores	Bal. Due	Ck.No.
Feb.	Thompson,G.	Sub-Foreman	24	40.	40.00	1.46	58.54	6150
	Drabuniasty,M.	" "	24	40.	40.00	6.75	33.25	6151
					1,964.98	143.47	1,821.51	
Mch.	Forsman,R.	"	24	60.	60.00	.50	59.50	6702
	Reece,J.	" "	26	40.	38.52	6.91	31.61	6819
	Goodfellow,W.	" "	27	55.	55.00	-	55.00	6831
	Rose?D.	" "	27	40.	40.00	18.33	21.67	6871
	Trombley,L.	" "	31	40.	45.93	2.20	43.73	6897
	Eddy,W.G.	"	27	60.	60.00	3.21	56.79	6902
	Brown,Geo.	" "	27	40.	40.00	1.82	38.18	6914
	Lalonde,E.W.	" "	27	40.	40.00	2.42	37.58	6916
	Murphy,J.	" "	27	40.	40.00	8.65	31.35	6917
	Bremner,W.	" "	27	40.	40.00	2.05	37.95	6945
	Booth,C.H.	"	27	60.	60.00	1.99	58.01	7524
	Fox,T.	" "	27	40.	40.00	2.22	37.78	7585
	Christiana,T.J.	" "	27	40.	40.00	3.46	36.54	7592
	Kelly,F.	" "	27	40.	40.00	1.61	38.39	7593
	Gunville,W.	" "	27	40.	40.00	2.86	37.14	7625
	McQuarrie,A.	"	27	60.	60.00	4.24	55.76	7627
	Gruben,S.	" "	27	40.	40.00	2.38	37.62	7637
	Lightle,E.	" "	27	40.	40.00	4.65	35.35	7641
	Kam,A.	" "	27	40.	40.00	2.66	37.34	7677
	Thorsen,C.	"	27	60.	60.00	2.85	57.15	7713
	Thompson,G.	" "	27	40.	40.00	.50	39.50	7720
	Drabuniasty,M.	" "	27	40.	40.00	2.61	37.39	7721
	Wilkinson,F.	" "	27	40.	40.00	1.85	38.15	7723
	Larson,C.A.	" "	7	40.	10.37	-	10.37	7770
	Brown,A.R.	" "	27	40.	40.00	7172	32.28	7791
	McLeod,H.	"	27	60.	60.00	4.37	55.63	7792
	Gillen,W.C.	" "	27	40.	40.00	7.60	32.40	7793
	Finch,W.J.	" "	27	40.	40.00	1.68	38.32	7839
	Leckie,R.J.	"	27	60.	60.00	4.19	55.81	7865
	Craig,J.	" "	27	40.	40.00	3.45	36.55	7872
	Henderson,J.	" "	27	40.	40.00	4.53	35.47	7881
	Dupuis,D.J.	" "	27	40.	40.00	8.57	31.43	7885
	Taggart,F.	"	27	60.	60.00	3.38	56.62	7915
	McKee,A.R.	" "	27	40.	40.00	5.90	34.10	7954
	Garvin,A.	" "	27	40.	40.00	4.88	35.12	7956
	Strectch,F.	" "	27	40.	40.	.94	39.06	7957
	Campbell,R.	" "	27	40.	40.00	5.48	34.52	7990
	Smith,W.J.	" "	27	40.	40.00	.95	39.05	7991
	Higgins,J.H.	"	27	60.	60.00	1.60	58.40	7992
	Fisher,W.T.	" "	27	40.	40.00	4.35	35.65	8005
	Dagg,D.	" "	27	40.	40.00	3.95	36.05	8072
	Lund,P.	"	27	60.	60.00	3.92	56.08	8073
	Hill,W.J.	" "	27	40.	40.00	4.54	35.46	8082
	Gane,K.	" "	27	40.	40.00	3.43	36.57	8083
	Stewart,M.	" "	27	40.	40.00	.50	39.50	8158
	Moor,J.	" "	27	40.	40.00	2.25	37.75	8161
	Crawford,Geo.	"	27	60.	60.00	.50	59.50	8163
	Brown,M.C.	" "	27	40.	40.00	1.18	38.82	8185
Apr.	Moor,J.	" "	11	40.	19.13	1.83	17.30	8489
	Lightle,E.	" "	12	40.	20.87	1.42	19.45	8526
	Gruben,S.	" "	13	40.	22.61	1.12	21.49	8569
	Dupuis,D.J.	" "	17	40.	29.57	3.46	26.11	8612
					2,222.00	177.66	2,044.34	
Apr.	Goodfellow,W.	" "	12	55.	28.69	-	28.69	8670
	Rose,D.	" "	23	40.	40.00	13.24	26.76	8724
	Trombley,L.	" "	27	40.	46.96	2.58	44.38	8748
	Booth,C.H.	"	23	60.	60.00	7.56	52.44	8749
	Christiana,T.J.	" "	23	40.	40.00	4.54	35.46	8762
	Kelly,F.	" "	23	40.	40.00	2.44	37.56	8763
	Eddy,W.G.	"	23	60.	60.00	1.23	58.77	8794
	Brown,G.	" "	23	40.	40.00	1.88	38.12	8802

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1933-1934

1933 Apr.	NAME	Capacity	No. Days	No. Rate.	Amount	Less Board & Stores.	Bal. Due	Ck.No.
	Murphy,J.	Sub-Foreman	23	40.	40.00	4.28	35.72	8803
	Bremner,W.	" "	23	40.	40.00	2.36	37.64	8819
	Crawford,G.	"	23	60.	60.00	.50	59.50	8844
	Brown,M.C.	" "	23	40.	40.00	.50	39.50	8850
	Smith,W.J.	" "	23	40.	40.00	1.00	39.00	8854
	Higgins,J.H.	"	23	60.	60.00	2.54	57.46	8855
	Hill,W.J.	" "	23	40.	40.00	4.99	35.01	8885
	Dagg,D.	" "	23	40.	40.00	2.64	37.36	8887
	Lund,P.	"	23	60.	60.00	3.53	56.47	8888
	Gane,K.	" "	23	40.	40.00	2.22	37.78	8897
	Thorsen,C.	"	23	60.	60.00	2.37	57.63	8963
	Stewart,M.	" "	23	40.	40.00	.50	39.50	8964
	Fox,T.	" "	23	40.	40.00	1.36	38.64	8965
	Thompson,G.	" "	23	40.	40.00	2.08	37.92	8969
	Drabiniasty,M.	" "	23	40.	40;00	2.49	37.51	8970
	Wilkinson,F.	" "	23	40.	40.00	1.81	38.19	8972
	Larson,C.A.	" "	23	40.	40.00	2.34	37.66	8990
	McLeod,H.	"	23	60.	60.00	5.14	54.86	9007
	Gillen,W.C.	" "	23	40.	40.00	4.11	35.89	9008
	Finch,W.J.	" "	23	40.	40.00	1.12	38.88	9037
	Leckie,R.J.	"	23	60.	60.00	3.17	56.83	9049
	Craig,J.	" "	23	40.	40.00	3.00	37.00	9053
	Gunville,W.	" "	24	40.	41.74	4.14	37.60	9080
	Brown,A.R.	" "	24	40.	41.74	2.42	39.32	9082
	McQuarrie,A.R.	"	23	60.	60.00	8.73	51.27	9084
	Kam,A.	" "	24	40.	41.74	1.79	39.95	9109
	Taggart,F.	"	23	60.	60.00	7.20	52.80	9113
	MaKee,A.E.	" "	23	40.	40.00	3.15	36.85	9132
	Lalonde,F.W.	" "	23	40.	40.00	3.04	36.96	9133
	Garvin,A.	" "	23	40.	40.00	3.48	36.52	4
	Stretch,F.	" "	23	40.	40.00	.74	39.26	6
	Campbell,R.	" "	23	40.	40.00	2.95	37.05	8
	Henderson,J.	" "	23	40.	40.00	3.88	36.12	9
	Fisher,W.T.	" "	23	40.	40.00	5.05	34.95	9148
					1,880.87	134.09	1,746.78	
May.	Craig,J.	" "	3	40.	4.61	-	4.61	9207
	Leckie,R.J.	"	3	60.	6.92	-	6.92	9220
	Crawford,G.	"	4	60.	9.23	-	9.23	9224
	Brown,M.C.	" "	4	40.	6.15	-	6.15	9225
	Brown,Geo.	" "	2½	40.	3.85	-	3.85	9283
	Gane,K.	" "	8	40.	12.31	.54	11.77	9286
	McQuarrie,A.R.	"	27	60.	62.31	3.93	58.38	9368
	Eddy,W.G.	"	26	60.	60.00	2.02	57.98	9381
	Murphy,J.	" "	26	40.	40.00	3.66	36.34	9384
	Bremner,W.	" "	26	40.	40.00	2.36	37.64	9392
	Booth,C.H.	"	26	60.	60.00	1.17	58.83	9414
	Christiana,T.S.	" "	24	40.	36.92	2.98	33.94	9425
	Kelly,F.	" "	23	40.	35.38	2.12	33.26	9426
	Rose,D.	" "	26	40.	40.00	9.78	30.22	9451
	Trombley,L.	" "	30	40.	46.15	1.96	44.19	9470
	MacGregor,A.	" "	5	40.	7.69	-	7.69	9471
	Thorsen,C.	"	26	60.	60.00	3.26	56.74	9472
	Stewart,M.	" "	26	40.	40.00	8.95	31.05	9473
	Fox,T.	" "	27	40.	41.54	1.35	40.19	9474
	Thompson,G.	" "	26	40.	40.00	1.72	38.28	9477
	Drabiniasky,M.	" "	26	40.	40.00	2.83	37.17	8
	Wilkinson,F.	" "	26	40.	40.00	1.04	38.96	9480
	Smith,W.J.	" "	26	40.	40.00	2;20	37.80	1
	Larson,C.A.	" "	26	40.	40.00	3.62	36.38	9495
	Dagg,D.	" "	4	40.	6.15	-	6.15	9500
	Lund,P.	" "	8	60.	18.46	-		
	" "	" "	18	40.	27.69	1.99	44.16	9501
	Higgins,J.H.	"	26	60.	60.00	5.10	54.90	9505
	Hill,W.J.	" "	24	40.	36.92	3.55	33.37	9520
	Gillen,W.G.	" "	25½	40.	39.23	8.02	31.21	9576
	McLeod,H.	"	26	60.	60.00	3.52	56.48	9575
	Finch,W.J.	" "	26	40.	40.00	2.98	37.02	9604

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1933 Apr.	Name	Capacity	No. Days.	No. Rate.	Amount	Less Board & Stores	Bal. Due.	Ck. No.
	Taggart,F.	Foreman	26	60.	60.00	4.90	55.10	9669
	Gunville,W.	Sub-Foreman	26	40.	40.00	.50	39.50	9668
	Brown,A.R.	" "	26	40.	40.00	1.58	38.42	9680
	McKee,A.R.	" "	26	40.	40.00	2.45	37.55	1
	Lalonde,F.W.	" "	23	40.	35.38	3.04	32.34	9684
	Garvin,A.	" "	26	40.	40.00	1.47	38.53	9685
	Stretch,F.	" "	26	40.	40.00	.50	39.50	9688
	Campbell,R.	" "	26	40.	40.00	3.49	36.51	9692
	Henderson,J.	" "	26	40.	40.00	2.74	37.26	3
	Betzkal,G.	" "	24	40.	36.92	.50	36.42	9724
	Fisher,W.T.	" "	24	40.	36.92	2.19	34.73	9703
	Kam,A.	" "	24	40.	36.92	.74	36.18	9725
					1,587.65	104.75	1,482.90	
June	Stewart,M.	" "	25	40.	40.00	.50	39.50	9853
	Fox, T.	" "	25	40.	40.00	3.93	36.07	4
	Thompson,G.	" "	25	40.	40.00	1.59	38.41	5
	Larson,C.A.	" "	25	40.	40.00	9.03	30.97	9858
	McLeod,H.	"	25	60.	60.00	2.84	57.16	9874
	Gillen,W.C.	" "	25	40.	40.00	3.80	36.20	5
	Finch,W.J.	" "	25	40.	40.00	1.32	38.68	9902
	Taggart,F.	"	25	60.	60.00	4.68	55.32	9962
	Trombley,L.	" "	9	40.	14.40	-	14.40	5
	Gunville,W.	" "	25	40.	40.00	1.18	38.82	9986
	Brown,A.R.	" "	25	40.	40.00	1.70	38.30	9995
	McKee,A.R.	" "	25	40.	40.00	4.38	35.62	6
	Lalonde,F.W.	" "	25	40.	40.00	3.92	36.08	8
	Garvin,A.	" "	25	40.	40.00	.50	39.50	9
	Stretch,F.	" "	25	40.	40.00	.50	39.50	10002
	Campbell,R.	" "	25	40.	40.00	5.12	34.88	5
	Henderson,J.	" "	25	40.	40.00	3.33	36.67	6
	Fisher,W.T.	" "	25	40.	40.00	1.98	38.02	10015
	Betzkall,G.	" "	25	40.	40.00	2.90	37.10	10031
	Kam,A.	" "	25	40.	40.00	.50	39.50	2
	McQuarrie,A.R.	"	25	60	60.00	14.30	45.70	10089
	Anderson,D.H.	" "	25	40.	40.00	4.27	35.73	10092
	Eddy,W.G.	"	25	60.	60.00	4.99	55.01	Pd. by Engineer
	Murphy,J.	" "	25	40.	40.00	4.76	35.24	
	Bremner,W.	" "	25	40.	40.00	3.22	36.78	
	Rose,D.	" "	25	40.	40.00	13.48	26.52	
	Kirby,C.E.	" "	25	40.	40.00	2.43	37.57	
	Lund,P.	" "	25	40.	40.00	2.04	37.96	
	Mangnus,E.	" "	5	40.	8.00	-	8.00	
	Wilkinson,F.	" "	7	40.	11.20	-	11.20	
	Christiana,T.J.	" "	5	40.	8.00	-	8.00	
	Drabiniasky,M.	" "	25	40.	40.00	2.50	37.50	
	Wilkinson,F.	" "	18	40.	28.80	.50	28.30	
	Trombley,L.	" "	21	40.	33.60	2.45	31.15	
	McGregor,A.	" "	26	40.	41.60	3.95	37.65	
	Smith,W.J.	" "	25	40.	40.00	.50	39.50	
	Booth,C.H.	"	25	60.	60.00	9.17	50.83	
	Christiana,T.	" "	13	40.	20.80	2.94	17.86	
	Kelly,F.	" "	23	40.	36.80	1.12	35.68	
					1,503.20	126.32	1,376.88	
July.	McLeod,H.	"	4	60.	9.60	-	9.60	10139
	Kam,A.	" "	6	40.	9.60	-	9.60	10143
	Trombley,L.	" "	16	40.	25.60	4.53	21.07	10181
	Anderson,D.H.	" "	25	40.	40.00	1.77	38.23	10210
	Thompson,G.	" "	25	40.	40.00	2.25	37.75	10239
	Larson,C.A.	" "	25	40.	40.00	6.10	33.90	10240
	Campbell,A.	" "	25	40.	40.00	8.98	31.02	2
	Stewart,M.	" "	25	40.	40.00	3.75	36.25	4
	Fox,T.	" "	19	40.	30.40	1.00	29.40	5
	McQuarrie,A.R.	" "	25	60.	60.00	13.51	46.49	7
	Gillen,W.C.	" "	24	40.	38.40	2.48	35.92	10260
	Finch,W.J.	" "	25	40.	40.00	1.24	38.76	10279
	Taggart,F.	"	25	60.	60.00	2.81	57.19	10330

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1933	Name	Capacity	No. Days	No. Rate	Amount	Board & Stores	Bal. Due	Ck.No.
July	Gunville,W.	Sub-Foreman	25	40.	40.00	1.40	38.60	10837
	Brown,A.R.	" "	25	40.	40.00	1.84	38.16	10343
	McKee,A.E.	" "	25	40.	40.00	5.92	34.08	4
	Lalonde,F.W.	" "	25	40.	40.00	3.21	36.79	6
	Garvin,A.	" "	25	40.	40.00	.75	39.25	7
	Stretch,F.	" "	25	40.	40.00	1.90	38.10	10350
	Campbell,R.	" "	25	40.	40.00	6.68	33.32	2
	Henderson,J.	" "	21	40.	33.60	2.09	31.51	3
	Fisher,W.T.	" "	25	40.	40.00	2.38	37.62	10361
	Betzkal,G.	" "	25	40.	40.00	.50	39.50	10374
	Harris,J.	" "	25	40.	40.00	1.73	38.27	10404
	Lund,P.	" "	25	40.	40.00	2.36	37.64	Pd.By Engineer
	Wilkinson,F.	" "	25	40.	40.00	1.12	38.88	
	Higgins,J.H.	"	25	60.	60.00	1.10	58.90	
	Christianna,T.J.	"	25	40.	40.00	2.48	37.52	
	Eddy,W.G.	"	25	60.	60.00	2.25	57.75	
	Murphy,J.	" "	25	40.	40.00	3.86	36.14	
	Peterson,S.	" "	25	40.	40.00	1.46	38.54	
	Kirby,C.E.	" "	25	40.	40.00	1.65	38.35	
	BOoth,C.H.	"	25	60.	60.00	6.57	53.43	
	Kelly,F.	" "	25	40.	40.00	1.74	38.26	
	MCGregor,A.	" "	25	40.	41.60	3.26	38.34	
	Thorsen,C.	"	25	60.	60.00	1.76	58.24	
	Drabianisky,M.	" "	25	40.	40.00	1.42	38.58	
	Smith,W.J.	" "	25	40.	40.00	.50	39.50	
					1,548.80	108.35	1,440.45	
Aug.	McQuarrie,A.R.	"	8	60.	17.78	4.15	13.63	12012
	Larson,C.A.	" "	27	40.	40.00	7.11	32.89	12085
	Taggart,F.	"	27	60.	60.00	1.66	58.34	12086
	Gunville,W.	" "	27	40.	40.00	5.01	34.99	12092
	Brown,A.R.	" "	27	40.	40.00	2.48	37.52	12098
	McKee,A.E.	" "	27	40.	40.00	3.66	36.34	9
	Lalonde,F.W.	" "	25	40.	37.04	4.95	32.09	12101
	Henderson,J.	" "	27	40.	40.00	3.47	36.53	12110
	Fisher,W.	" "	27	40.	40.00	2.42	37.58	12117
	Gillen,W.C.	" "	27	40.	40.00	4.45	35.55	12180
	Higgins,J.H.	"	10	60.	22.22	-	22.22	12182
	Finch,W.J.	" "	18	40.	26.67	1.00	25.67	5
	Tinson,N.	" "	9	40.	13.33	1.80	11.53	12263
	Stewart,M.	" "	27	40.	40.00	1.00	39.00	12268
	Fox,T.	" "	27	40.	40.00	3.49	36.51	9
	Thompson,G.	" "	27	40.	40.00	4.25	35.75	12270
	Campbell,A.	" "	27	40.	40.00	2.40	37.60	3
	Eddy,W.G.	"	27	60.	60.00	4.07	55.93	337
	Murphy,J.	" "	27	40.	40.00	3.49	36.51	340
	Peterson,S.	" "	27	40.	40.00	.50	39.50	353
	Kirby,C.E.	" "	27	40.	40.00	1.82	38.18	410
	Carveth,W.	" "	31	20.	20.00	.95	19.05	335
	Lund,P.	" "	17	40.	25.19	1.82	23.37	413
	Higgins,J.H.	"	18	60.	40.00	2.00	38.00	416
	Christiana,T.J.	"	17	40.	25.19	2.02	23.17	322
	Wilkinson,F.	" "	17	40.	25.19	1.26	23.93	323
	Booth,C.H.	"	27	60.	60.00	2.55	57.45	372
	Kelly,F.	" "	25	40.	37.04	.88	36.16	376
	McGregor,A.	" "	27	40.	40.00	2.74	37.26	381
	Thorsen,C.	"	27	60.	60.00	3.27	56.73	391
	Drabiniasky,M.	" "	23	40.	34.07	1.92	32.15	394
	Smith,W.J.	" "	27	40.	40.00	.50	39.50	401
					1,203.72	83.09	1120.63	
Sept.	Gillen,W.C.	" "	23	40.	36.80	6.11	30.69	12340
	Higgins,J.H.	"	25	60.	60.00	.74	59.26	2
	Finch,W.J.	" "	25	40.	40.00	1.44	38.56	5
	Timson,N.	" "	14	40.	22.40	2.71	19.69	6
	Kam,A.	" "	5	40.	8.00	-	8.00	12443
	Taggart,F.	"	25	60.	60.00	1.99	$8.01	12450
	Gunville,W.	" "	25	40.	40.00	1.40	38.60	4
	Lalonde,F.W.	" "	25	40.	40.00	2.14	37.86	9

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1933-1934

1933 Sept.	Name	Capacity	No.Days	No.Rate	Amount	Board & Bal Stores	Due	C.K.No.
	Carvin,A.	Sub-Foreman	25	40.00	40.00	1.81	38.19	12460
	Stretch,F.	" "	25	40.	40.00	.75	39.25	12463
	Campbell,R.	" "	25	40.	40.00	3.39	36.61	7
	Henderson,J.	" "	25	40.	40.00	3.81	36.19	8
	Fisher,W.T.	" "	25	40.	40.00	.50	39.50	12474
	Stewart,M.	" "	25	40.	40.00	10.30	29.70	12553
	Fox,T.	" "	25	40.	40.00	.50	39.50	4
	Thompson,G.	" "	25	40.	40.00	2.46	37.54	5
	Campbell,A.	" "	25	40.	40.00	2.42	37.58	6
	McKee,A.E.	" "	25	40.	40.00	6.30	33.70	12536
	Eddy,W.G.	" "	25	60.	60.00	2.41	57.59	Paid by
	Murphy,J.	" "	1 Mo.	40.	40.00	6.82	33.18	Engineer
	Peterson,S.	" "	"	40.	40.00	1.16	38.84	
	Kirby,C.E.	" "	"	40.	40.00	1.88	38.12	
	Lund,P.	" "	4	40.	6.40	.96	5.44	
	Thorsen,C.	" "	1 Mo.	60.	60.00	1.95	58.05	
	Drabiniasky,M.	" "	"	40.	40.00	3.39	36.61	
	Smith,W.J.	" "	"	40.	40.00	.85	39.15	
	Booth,C.H.	" "	"	60.	60.00	4.22	55.78	
	Kelly,F.	" "	"	40.	40.00	1.26	38.74	
	McGregor,A.	" "	25	40.	40.00	3.59	36.41	
					1,173.60	77.26	1.096.34	
Oct.	Stewart,M.	" "	18	40.	28.80	.50	28.30	12650
	Thompson,G.	" "	18	40.	28.80	.50	28.30	1
	McFee,M.	" "	8	40.	12.80	-	12.80	12666
	Taggart,F.M.	" "	25	60.	60.00	2.38	57.62	12675
	Gunville,W.	" "	25	40.	40.00	3.05	36.96	8
	Brown,A.R.	" "	25	40.	40.00	6.25	33.75	12684
	McKee,A.E.	" "	25	40.	40.00	3.94	36.06	5
	Lalonde,F.	" "	25	40.	40.00	3.48	36.52	7
	Carvin,A.	" "	25	40.	40.00	3.18	36.82	8
	Henderson,J.	" "	25	40.	40.00	3.88	36.12	12696
	Fisher,W.T.	" "	25	40.	40.00	1.78	38.22	12703
	Fox, T.	" "	23	40.	36.80	2.70	34.10	12765
	Gillen,W.C.	" "	25	40.	40.00	3.60	36.40	7
	Higgins,J.H.	" "	17	60.	40.80	2.01	38.79	9
	Campbell,A.	" "	18	40.	28.80	1.78	27.02	12781
	Finch,W.J.	" "	25	40.	40.00	1.46	38.54	2
	Timson,N.	" "	25	40.	40.00	2.61	37.39	12824
	Kam,A.	" "	25	40.	40.00	3.14	36.86	12877
	Eddy,W.G.	" "	3	60.	7.20	-	7.20	
	Murphy,J.	" "	25	40.	40.00	6.29	33.71	
	Peterson,S.	" "	25	40.	40.00	1.30	38.70	
	Eddy W.G.	" "	19	60.	45.60	4.56	41.04	
	Kirby, C.E.	" "	25	40.	40.00	3.41	36.59	
	Lund,P.	" "	25	40.	40.00	3.32	36.68	
	Drabiniasky,M.	" "	25	40.	40.00	2.08	37.92	
	Smith,W.J.	" "	25	40.	40.00	.75	39.25	
	Booth,C.H.	" "	25	60.	60.00	5.52	54.48	
	Kelly,F.	" "	25	40.	40.00	1.64	38.36	
	McGregor,A.	" "	25	40.	40.00	3.28	36.72	
					1,109.60	78.39	1,031.21	
Nov.	McFee,M.	" "	6	40.	9.23	-	9.23	12958
	Lund,P.	" "	25	40.	40.00	3.02	36.98	13041
	Kirby, C.E.	" "	25	40.	40.00	.50	39.50	2
	Booth,C.H.	" "	25	60.	60.00	11.19	48.81	13105
	Kelly,F.	" "	24½	40.	39.20	1.26	37.94	13113
	McGregor,A.	" "	25	40.	40.00	10.53	29.47	13119
	Lalonde,F.W.	" "	24	40.	38.40	4.37	34.03	13129
	Fox,T.	" "	25	40.	40.00	2.95	37.05	13132
	Gillen,W.C.	" "	9	40.	14.40	2.39	12.01	4
	Higgins,J.H.	" "	18	60.	43.20	1.38	41.82	6
	Finch,W.J.	" "	25	40.	40.00	1.96	38.04	8
	Kam,A.	" "	25	40.	40.00	1.78	38.22	13219
	Henderson,J.	" "	15	40.	24.00	5.95	18.05	13221
	Gillan,C.	" "	16	60.	38.40	13.39	25.01	2
	Hill,W.J.	" "	8	40.00	12.80	1.25	11.55	13264
	Thorsen,C.	" "	25	60.	60.00	3.05	56.95	13295

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1933-1934

	Name	Capacity	No. Days.	No. Rate	Amount	Board & Stores	Bal. Due	Ck.No.
1933	Drabiniasty,M.	Sub-Foreman	25	40.	40.00	3.59	36.41	13298
	Smith,W.J.	" "	14	40.	19.20	.75	18.45	9
v.	Gunville,W.	" "	8	40.	12.80	.96	11.84	13313
	Smith,W.J.	"	13	60.	31.20	.50	30.70	13360
	Eddy,W.G.	" "	25	60.	60.00	1.25	58.75	5
	Murphy,J.	" "	25	40.	40.00	7.73	32.27	9
	Peterson,S.	" "	25	40.	40.00	3.04	36.96	13353
	Tagart,F.M.	"	25	60.	60.00	3.41	56.59	13389
	Gunville,W.	" "	17	40.	27.20	2.70	24.50	13392
	Brown,A.R.	" "	25	40.	40.00	13.06	26.94	8
	McKee, A.E.	" "	25	40.	40.00	7.57	32.43	9
	Garvin,A.	" "	25	40.	40.00	3.32	36.68	13401
	Henderson,J.	" "	8	40.	12.80	2.66	10.14	-
	Fisher,W.T.	" "	25	40.	40.00	1.78	38.22	13415
					1,082.83	117.29	965.54	
ec.	Kam,A.	" "	8	40.	12.80	.50	12.30	15001
	Eddy,W.G.	"	8	60.	19.20	9.21	9.99	15039
	Murphy,J.	" "	8	40.	12.80	1.51	11.29	15042
	Peterson,S.	" "	8	40.	12.80	.50	12.30	15055
	Rayson,G.	" "	8	40.	14.40	.62	13.78	15090
	Thompson,E.W.	"	9	60.	21.60	-	21.60	4
	Taggart,F.M.	"	8	60.	19.20	6.20	13.00	15166
	Brown,A.R.	" "	8	40.	12.80	.50	12.30	15174
	McKee,A.E.	" "	8	40.	12.80	1.34	11.46	75
	Garvin,A.	" "	3	40.	4.80	.50	4.30	7
	Fisher,W.T.	" "	8	40.	12.80	.50	12.30	15190
	Booth,C.H.	"	8	60.	19.20	.50	18.70	15305
	Kelly,F.	" "	8	40.	12.80	.94	11.86	15310
	McGregor,A.	" "	7	40.	11.20	2.17	9.03	4
	Gunville,W.	" "	8	40.	12.80	.50	12.30	21
	Deault,P.	" "	8	40.	12.80	.90	11.90	68
	Smith,W.J.	"	8	60.	19.20	.50	18.70	9
	Henderson,J.	" "	8	40.	12.80	2.02	10.78	15406
	Gillen,W.C.	"	8	60.	19.20	9.78	9.42	7
	Fox,T.	" "	8	40.	12.80	.50	12.30	55
	Kam,A.	" "	13	40.	20.80	-	20.80	13937
	Booth,C.H.	"	17	50.	40.80	13.03	27.77	14002
	Kelly,F.	" "	17	40.	27.20	.48	26.72	7
	McGregor,A.	" "	17	40.	27.20	4.34	22.86	11
	Hill,W.J.	" "	17	40.	27.20	2.27	24.93	14517
	Thorsen,C.	"	17	60.	40.80	1.81	38.99	14559
	Drabiniasty,M.	" "	17	40.	27.20	1.75	25.45	62
	Henderson,J.	" "	17	40.	27.20	1.49	25.71	81
	Fox.T.	" "	4	40.	6.40	-	6.40	2
	Gillen,W.C.	"	17	60.	40.80	5.81	34.99	3
	Eddy, W.H.	"	17	60.	40.80	-	40.80	14652
	Murphy.J.	" "	17	40.	27.20	5.45	21.75	5
	Peterson,S.	" "	17	40.	27.20	.92	26.28	14670
	Trombley,L.	" "	8	40.	12.80	.50	12.30	14750
	Lund,P.	" "	8	40.	12.80	1.27	11.53	9
	Traynor,M.	" "	17	40.	27.20	2.78	24.42	98
	McLeod,H.	"	17	60.	40.80	3.52	37.28	14801
	Hill,W.J.	" "	8	40.	12.80	1.37	11.43	51
	Thorsen,C.	"	8	60.	19.20	8.60	10.60	90
	Drabiniasty,M.	" "	8	40.	12.80	1.74	11.06	14893
	Lalonde,F.W.	" "	8	40.	12.80	.50	12.30	14921
	Higgins,J.H.	"	1	60.	2.40	.50	1.90	6
	Finch,W.J.	" "	8	40.	12.80	.98	11.82	8
	Fox.T.	" "	6½	40.	10.40	-	10.40	13572
	Gunville,W.	" "	17	40.	27.20	2.20	25.00	13616
	Deault,P.	" "	9	40.	14.40	3.98	10.42	13664
	Smith,W.J.	"	17	60.	40.80	.25	40.55	5
	Trombley,L.	" "	9	40.	14.40	-	14.40	13712
	Lund,P.	" "	17	40.	27.20	2.32	24.88	13722
	Kirby,C.E.	" "	9	40.	14.40	2.50	11.90	3
	Garvin,A.	" "	17	40.	27.20	1.63	25.57	13767
	Brown,A.R.	" "	17	40.	27.20	-	27.20	13764
	McKee,A.E.	" "	17	40.	27.20	8.39	18.81	5

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CANADA

	Name	Capacity	No.Days	No.Rate	Amount	Board & Stores	Bal. Due	Ck.No.
1933								
Dec.	Fisher,WT.	Sub-Foreman	17	40.	27.20	3.74	23.46	13780
	Lalonde,F.W.	" "	17	40.	27.20	2.17	25.03	13855
	Higgind,J.H.	"	17	60.	40.80	2.58	38.22	13860
	Finch,W.J.	" "	17	40.	27.20	.80	26.40	13862
					1,188.80	128.86	1,059.94	
1934								
Jan.	Gillen,W.C.	"	11	60.	26.60			
	" "	" "	10	40.	16.00	9.22	33.18	15590
	Trombley, L.	" "	23	40.	35.38	4.58	30.80	15654
	Lund,P.	" "	26	40.	40.00	8.42	31.58	15664
	Kirby,C.E.	" "	18	40.	27.69	2.62	25.07	15665
	Elvery,T.	" "	23	40.	35.38	.70	34.68	15708
	Crawford,G.	"	23	60.	53.08	2.61	50.47	9
	Roberts,J.	" "	20	40.	30.77	1.44	29.33	15724
	Gunville,W.	" "	26	40.	40.00	5.21	34.79	15756
	Deault,P.	" "	26	40.	40.00	6.58	33.42	15803
	Smith,W.J.	"	26	60.	60.00	14.11	45.89	15804
	Lalonde,F.W.	" "	26	40.	40.00	5.43	34.57	15854
	Higgins,J.H.	"	26	60.	60.00	1.00	59.00	15359
	Finch,W.J.	" "	26	40.	40.00	1.64	38.36	61
	Kam,A.	" "	11	40.	16.92	1.12	15.80	15931
	Taggart,F.M.	"	26	60.	60.00	1.46	58.54	51
	Brown,A.R.	" "	26	40.	40.00	2.98	37.02	59
	McKee,A.E.	" "	26	40.	40.00	5.60	34.40	60
	Garvin,A.	" "	26	40.	40.00	11.96	28.04	2
	Fisher,W.T.	" "	26	40.	40.00	1.69	38.31	75
	Hill,W.J.	" "	26	40.	40.00	11.73	28.27	16045
	Thorsen,C.	"	26	60.	60.00	2.64	57.36	16079
	Drabiniasty,M.	" "	26	40.	40.00	4.52	35.48	82
	Gane,C.K.	" "	2	40.	3.08	.62	2.46	16135
	Gillen,C.	" "	4	40.	6.15	1.64	4.51	7
	Booth,C.H.	"	26	60.	60.00	9.17	50.83	76
	Kelly,F.	" "	26	40.	40.00	1.32	38.68	81
	McGregor,A.	" "	26	40.	40.00	3.61	36.39	16185
	Hende son,J.	" "	26	40.	40.00	4.59	35.41	16239
	Fox,T.	" "	26	40.	40.00	3.20	36.80	40
	Russell,O.	" "	23	40.	35.38	6.69	28.69	16303
	Eddy,W.G.	"	26	60.	60.00	1.47	58.53	16360
	Murphy,J.	" "	26	40.	40.00	4.36	35.64	16363
	Peterson,S.	" "	26	40.	40.00	.50	39.50	77
	Leckie,R.J.	" "	16	40.	24.62	5.31	19.31	16457
	Watson,L.M.	" "	23	40.	35.38	6.93	28.45	16481
	McLeod,H.	"	26	60.	60.00	5.77	54.23	16533
	Traynor,M.	" "	26	40.	40.00	6.94	33.06	8
	R ayson,G.	" "	26	40.	40.00	2.22	37.78	16543
	Thompson,E.W.	"	26	60.	60.00	.50	59.50	7
					1,586.23	172.10	1,414.13	

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CANADA

Relief unemployment

Col - Unemploy[redacted] Relief.

C150924

SESSIONAL PAPER NO. 149C

C A N A D A

DEPARTMENT OF THE SECRETARY OF STATE

MONDAY, Apr. 30 1934.

RETURN TO AN ORDER OF THE HOUSE OF COMMONS , Dated 7th February, 1934 showing:

In tabulated form the amount expended per month on unemployment relief in Prince Albert National Park, together with the number of men employed during each month, from the inception of the camp to date.

C. H. CAHAN

Secretary of State.

Reference No. 36

Mover: Mr. Vallance

Dated: April 27, 1934.

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

2
C150925

11. Office or

THE DEPUTY MINISTER OF THE INTERIOR

OTTAWA, CANADA

26th April, 1934.

Sir:

Referring to the Order of the House of Commons, Reference No. 36, dated 7th February, mover Mr. Vallance, M.P., for a return showing the amount expended per month on unemployment relief in Prince Albert National Park, together with the number of men employed during each month, from the inception of the camps to date, I am attaching hereto a statement furnishing the information asked for insofar as the Department of the Interior is concerned.

Yours very truly

(SGD) R. GIBSON

E. H. Coleman, Esq., K.C.,
Under Secretary of State,
Ottawa.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

[redacted].

C150926

QUESTION - Mr. Vallance, M.P.

For a return in tabulated form showing the amount expended per month on unemployment relief in Prince Albert National Park, together with the number of men employed during each month, from the inception of the camps to date.

ANSWER - The Honourable Mr. Murphy, insofar as the Department of the Interior is concerned.

	1931-32		1932-33		1933-34 Apr. 1/33 to Jan.31/34.	
	Total Expenditure	No. of Men.	Total Expenditure	No. of Men.	Total Expenditure	No. of Men.
April					$12,070.38	700
May					13,501.93	501
June					18,048.51	571
July					22,752.23	515
Aug.					14,965.57	479
Sept.	$3,085.92	100			14,075.92	374
Oct.	9,796.03	156			14,720.12	398
Nov.	7,984.37	165	$10,728.05	302	19,671.71	503
Dec.	7,219.15	114	26,224.34	732	38,339.73	751
Jan.	5,471.46	127	24,052.51	1061	26,358.85	1003
Feb.	4,660.16	75	33,087.65	1118		
Mar.	582.91	3	39,081.77	1284		
	$38,800.00	740	$133,174.32	4497	$194,504.95	5795

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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PUBLIC ARCHIVES
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CANADA

Coll - Unemployment & Farm
[redacted]

Returns unemployment

C150927

SESSIONAL PAPER NO. 149B

C A N A D A

DEPARTMENT OF THE SECRETARY OF STATE

MONDAY, APR. 30. 1934.

RETURN TO AN ORDER OF THE HOUSE OF COMMONS, dated 7th February, 1934 showing:

In tabulated form showing the amounts expended monthly for material and supplies for unemployment relief in Prince Albert National Park, from the inception of the camps to date.

C. H. CAHAN,
Secretary of State.

Reference No. 35
Mover: Mr. Vallance
Dated: April 27, 1934.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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PUBLIC ARCHIVES
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CANADA

[redacted]

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11. Office of C150928

THE DEPUTY MINISTER OF THE INTERIOR

OTTAWA, CANADA

26th April, 1934.

Sir:

Referring to the Order of the House of Commons, Reference No. 35, dated 7th February, mover Mr. Vallance, M.P., for a return showing the amounts expended monthly for material and supplies for unemployment relief in Prince Albert National Park, from the inception of the camps to date, I am attaching hereto a statement furnishing the information asked for insofar as the Department of the Interior is concerned.

Yours very truly,

(SGD) R. GIBSON

E. H. Coleman, Esq., K.C.,
Under Secretary of State,
OTTAWA.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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PUBLIC ARCHIVES
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C150929

QUESTION - Mr. Vallance, M.P.

For a return in tabulated form showing the amounts expended monthly for material and supplies for unemployment relief in Prince Albert National Park, from the inception of the camps to date.

ANSWER - The Honourable Mr. Murphy, insofar as the Department of the Interior is concerned.

Material & Supplies	Mat. & Supp.		Mat. & Supp.
	1931-32	1932-33	1933-34 Apr.1/33 to Jan.31/34.
April			$6,048.84
May			7,548.09
June			10,567.70
July			15,812.13
Aug.			9,478.55
Sept.	$1,643.87		8,670.27
Oct.	3,979.20		8,867.09
Nov.	3,843.39	$8,273.40	13,341.89
Dec.	3,006.83	21,603.72	32,037.46
Jan.	1,013.10	17,252.06	19,288.16
Feb.	2,116.46	24,408.32	
Mar.	359.45	28,519.34	
	$15,962.30	$100,056.84	$131,660.18

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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CANADA

Copy. Index to Unemployment Expenditures etc.

Coll - Unemployment & Farm Relief

[redacted]

SESSIONAL PAPER NO. 185. C150930

Thursday Feb. 21, 1935.

RETURN TO AN ORDER OF THE HOUSE OF COMMONS, dated 18th February, 1935 showing:

The total sums expended by the Government on Unemployment and Farm Relief from August 7, 1930, to February 15, 1935, under the following headings: (a) expenditures, (b) loans, (c) guarantees.

"C. H. Cahan"
Secretary of State.

Reference No. 120
Mover: Mr. Mackenzie (Vancouver Centre)
Dated: February 21, 1935.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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C150931

INQUIRY OF MINISTRY

Votes and Proceedings of the House of Commons
No. 21, February 14, 1935, page 1

Question asked by Mr. Mackenzie (Vancouver Centre).

What are the total sums expended by the Government on Unemployment and Farm Relief from August 7, 1930, to February 15, 1935, under the following headings: (a) expenditures, (b) loans, (c) guarantees?

Ottawa, February 18, 1935.

ANSWER OF THE DEPARTMENT OF LABOUR.

(a) $154,754,745.91

(b) and (c) to be answered by Department of Finance.

"W. M. Dickson"

Deputy Minister of Labour.

The Under-Secretary of State,
Department of the Secretary of State,
O t t a w a.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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PUBLIC ARCHIVES
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CANADA

Copy.

Department of
Finance.

Canada.

[redacted]

C150932

Ottawa, Ontario,
Feb. 20, 1935.

Dear Sir:

Your Reference No. 120, Order of the House - Mr. Mackenzie (Vancouver Centre) - re sums expended by the Government on Unemployment Farm Relief from August, 1930 to February, 1935.

I submit herewith the answer of the Department of Finance to the above mentioned enquiry.

Yours very truly,

"B. J. Roberts"

for Deputy Minister.

The Under-Secretary of State,
Ottawa, Ont.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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C150933

DEPARTMENT OF FINANCE.

ANSWER TO QUESTIONS

Mr. Mackenzie (Vancouver Centre)

Question What are the total sums expended by the Government on Unemployment and Farm Relief from August 7, 1930, to February 15, 1935, under the following headings:

(a) Expenditures;

(b) Loans;

(c) Guarantees.

Answer (a) To be answered by Department of Labour.

(b) Loans (net):

Province of Manitoba,	$12,778,629.45
Province of Saskatchewan,	36,956,671.73
Province of Alberta,	11,977,000.00
Province of British Columbia,	14,514,234.73
Canadian Pacific Ry. Co.,	2,447,222.71
	$78,673,758.62

(c) No Expenditure.

Ottawa, Feb. 20, 1935.

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bill - Unemployment + Farm Relief

[redacted]

Unemployment and Farm Relief

Total Expenditures, Loans, Guarantees

of the Dominion Government

August 7, 1930 to March 31, 1935

C150934

Expenditures	$160,686,331.
Loans outstanding	81,776,154.
Guarantees outstanding x	65,717,987.
Total Expenditures Loans and Guarantees, March 31, 1935	308,180,472.

x - This does not include any estimate of the guarantee re wheat. (At May 31, 1935, 228 million bushels were held. These cost 85.9 cents a bushel, and the price at that date was 82.9 cents or approximately 3 cents less. This would indicate on May 31, 1935, a guarantee roughly of $7,000,000. See unrevised Hansard, p.4569, July 4, 1935.)

Note: Figures re Expenditures and Loans obtained from Report on "Relief Act 1934" pp.49-50.

Figures re Guarantees obtained from Budget statement of Minister of Finance in House of Commons Mar. 22/35, Hansard p. 2149.

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Coll - Unemployment & Farm Relief

[redacted]

U. & H.R.

Unemployment and Farm Relief

Total Expenditures, Loans, Guarantees

of The Dominion Government

August 7, 1930 to March 31, 1935

C150935

Expenditures		$ 160,686,331.
Loans outstanding		81,776,154.
Guarantees outstanding	$ 65,717,987.	
Prime Minister's estimate of guarantee re Wheat	15,000,000.	80,717.987.
Total Expenditures Loans and Guarantees, March 31, 1935		323,180,472.

Note: Figures re Expenditures and Loans obtained from Report on "Relief Act 1934" pp. 49-50.

Figures re Guarantees obtained from Budget statement of Minister of Finance in House of Commons Mar. 22/35, Hansard p. 2149.

Prime Minister's estimate re amount of Guarantee re Wheat - Hansard p. 2057, March 27, 1934.

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[redacted]

C150936

Guarantees given by Dominion Government Under Relief Legislation

Nature of Guarantee	Amount of Guarantee Outstanding Mar. 31/35x
Re Assumption of Liabilities of Province of Manitoba Savings Office.	$ 9,327,327.
Re Advances to Beauharnois Light, Heat and Power Corp.	
Re advances to the Government of Newfoundland.	625,000.
Re Treasury Bill of Province of British Columbia issued to Bank to meet maturities in N.Y.	626,533.
Re advance to Dominion Steel & Coal Corporation of Nova Scotia for production of 50,000 tons of steel rails.	800,000.
Re Treasury Bill of Province of Manitoba issued to Bank to meet maturities in New York.	5,894,127.
Re advance to Algoma Steel Corporation for production of 30,000 tons of steel rail.	445,000.
Re advances to C.P.R.	48,000,000.
	65,717,987.
Prime Minister's Estimate of Maximum amount of guarantee given Chartered Banks for advances to Canadian Co-operative Wheat Producers Limited. (p. 2057, Unrevised Hansard, March 27, 1934)	15,000,000.
x - Budget Statement, Minister of Finance, March 22, 1935, Unrevised Hansard p. 2149	80,717,987.

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Cgll - Unemployment Insert A. p. 8

The following figures relate to the present expenditure by the City of Toronto on rents and direct relief:

C150937

During the month of October the City expended $107,000 in payment of rent for families on relief. This was below the average for the last two years, the figure having risen as high as $140,000 in some previous months.

The City is responsible for between 19 and 20,000 families who are receiving direct relief. Of these nearly 15,000 are destitute on account of unemployment of the wage earner. The City does not pay rent for by any means all these families, probably for less than half. The rents paid for these vary from a minimum of $7 per month to a maximum of $20 according to the size of the families and the type of accommodation available. At a conservative estimate, it may be said that the City pays an average rental of $10 per month for some 9000 families.

Assuming that the City undertook a programme of building new dwellings for 2000 families each year during the next five years, the City would then possess 10,000 working-class dwellings, which would be enough to house if necessary all the families for whom rent is now being paid. Assuming that the City received no rents for these houses, it would at any rate save the equivalent of nearly $10 a month on each family so housed.

It seems fair to estimate that the total cost of each house erected, including purchase of the land, would amount to $2600 or $2700. Of this total, the City and the Province combined would be responsible for two-thirds, if the Federal Government agreed to make a grant equivalent to one-third of the amount expended. It seems clear, therefore that the City would be a gainer from the undertaking, not to the total amount of the liability incurred but at any rate to an amount represent-

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C150938

ing a substantial part of the expenditure. If the relief situation changed for the better, as we may fairly hope, the City would be in an even better position, for it would then be able to charge rents higher than the average estimated for relief families of $10 per month. It would probably be in a position of obtaining rents for the houses which would cover the costs of interest, amortization and management represented by the two-thirds of the total cost which we are assuming the City and Province combined to bear.

The effect upon the relief situation is difficult to estimate. During the last five years the debt of the Province has increased by $168,891,000, of which $58,598,000 is accounted for by relief and $55,967,000 by revenue deficits. Of the total revenue deficits, some $47,693,000 is also accounted for by relief. We may, therefore, conclude that relief costs have accounted for $106,291,000 of the total debt increase of $168,891,000.

It is impossible to state with accuracy the average amount now spent by the City of Toronto on direct relief. It is, however, safe to give a conservative estimate: the sum of between $400,000 or $500,000 per month or a total of at least $5,000,000 per annum. It is certain that part of this relief bill together with part of the rent bill above referred to would be saved during the building of the houses suggested. Even if we take a low estimate, namely,- that each house would give employment in the construction to one man during one year and that half the men employed could be drawn from the unemployed or that the same number would obtain employment either in the construction or in taking the place of other workers brought in for the construction, this would mean that the City would save the relief cost of 1000 families each year during the five years in which the building programme would continue.

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C150939

This does not allow for what might fairly be added, namely,- an increase in employment in cognate industries or the stimulus to industry generally which would undoubtedly be given by a building programme of the kind suggested.

The reason for presenting these figures is to show that the City of Toronto (and this would apply to other cities also) would have a considerable gain to set against the expenses incurred in the building programme. It is not necessary perhaps to add that many other items of saving would undoubtedly occur in connection with the lessened cost of medical attendance, clinic and hospital treatment and many other forms of expense imposed by long continued subsistence on a low level and with continued care and anxiety on the part of the people involved.

It is perhaps worth while adding the figures of the Dominion disbursement under relief legislation as at March 31, 1936.

They are as follows:

To all Provinces, $172,094,572

of which Ontario received $61,714,931.

It is also worth while noting that the expenditure by the National Government of Great Britain on housing subsidies up to 1934 has amounted to £150,000,000, the whole of these subsidies being in the form of grants without any question of repayment.

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Coll - Unemployed relief.

C150940

MEMORANDUM RE FARM IMPROVEMENT AND EMPLOYMENT PLAN.

The five main points of difference from previous plans are:-

1. The extension of the plan to all Provinces instead of confining it merely to the Prairie Provinces as in the past, thus reducing the number of transients travelling West.

2. The eligibility of all over 16 years instead of confining the plan to those who were shown to be homeless and the consequent Provincial responsibility to contribute.

3. The bonus to the workers as an incentive to remain in farm employment the full period.

4. The period covered - October to March inclusive (instead of November to March) - to prevent concentration of unemployed in urban centres.

5. The bonus to the farmer. Although it is true this was in effect in 1931 and was no doubt dropped for good reasons at that time, it was felt that the situation had changed in the past few years to such an extent that a bonus paid to the farmer would encourage large numbers of farmers to take advantage of the plan.

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Coll- Unemployment + Farm Relief

Time permitted for discussion
of question of unemployment

C150941

Special Session 1930 — [illegible]

Session 1931

Unemployment and Farm Relief Act, 1931

Resolution introduced - July 27

Prorogation - Aug. 3

Act expired March 1, 1932.

Session 1932

Unemployment and Farm Relief Continuance Act, 1932 — to extend provisions of Act to May 1.

Resolution introduced - Feb. 26

Unemployment and Farm Relief Act, 1931, expired - Mar. 1

Consideration of Resolution in Committee deferred to - Mar. 8 to revive a dead statute.

House of Commons adjourned for Easter on - Mar. 23

House of Commons reassembled - Mar. 29

3rd Reading - Ap. 1

Royal Assent - Ap. 4

Relief Act, 1932

Introduction of Resolution - Apr. 26

Unemployment and Farm Relief Continuance Act, 1932, expired - May 1

Third Reading Relief Act, 1932 - May 12

Royal Assent May 13

Prorogation - May 26

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C150942

Session 1932-33:

Relief Act, 1933
(Bill No.55)

Relief Act, 1932, expired	March 31.
Resolution introduced	Feb. 24.
Third reading, and passed	March 27.
Royal Assent	March 30.

Session 1934:

Relief Act 1934
(Bill No.42)

Relief Act, 1933, expires	March 31.
Resolution introduced	March 15.
Easter adjournment	March 28.
Third reading, and passed	April 16.
Royal Assent	April 20.

Session 1935:

Relief Act, 1935
(Bill No.41)

Relief Act, 1934, expires	March 31.
Resolution introduced	March 18.
Third reading, and passed	March 21.
Royal Assent	April 4.

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Cole - Unemployment Insurance

C150943

Unemployment Insurance - Liberal Position

no old age pension

Liberals did not proceed by legislating first and finding out later whether they had

1. funds to carry out legislation;
2. authority or power to do so;
3. or do so in face of legal opinion that they had not this power.

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C150944

Questions to be considered -

1. Finance;
2. Jurisdiction - guided by opinions of law officers;
3. Agreement with provinces.

(1) Unemployment Relief -

depression;

(2) Dominion's First Obligation -

Re-instatement of War Veterans in civil life -

Soldiers Civil Re-establishment;

Soldiers Pensions;

War Veterans Unemployed -

Department of Pensions and Health -

(Federal obligation).

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C150945

Steps to be Solved -

Jurisdiction;

Amendment B.N.A. ACt;

Introduction of Legislation -

1930 - 1935 = 6 sessions;

- no need to wait for improved conditions to settle question of jurisdiction and to get B. N. A. Act amended.

Government Urged to appoint Commission re Unemployment, and National System of Unemployment Insurance -

See Hansards re;

See Liberal programme.

Government Declined action -

on score of no jurisdiction.

right up to time of resignation of Minister of Trade & Commerce

Sinister significance of P.M.'s statement to Minister;

" " " " statements on jurisdiction (See oblique attack, &c);

" " " statements by Minister of Justice.

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Coll- Unemployment Insurance

C150946

Moved in Amendment by:

Seconded by:

That the said Bill be not now read a third time but that it be referred back to the Committee of the Whole with instruction that they have power to amend it by eliminating from it the first line of Section 48 and substituting the following therefor:

"This Act shall come into force on a day to be fixed by proclamation of the Governor in Council after the question of its validity has been submitted to the Supreme Court of Canada on a reference by the Government, and the Act has been declared to be intra vires of the Parliament of Canada."

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Session 1st

Unemployment Insurance



C150947

Unemployment Insurance - Liberal Position

Liberals did not proceed by legislating first and finding out later whether they had

1. Funds to carry out legislation;
2. Authority or power to do so;
3. or do so in face of legal opinion that they had not this power.

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Coll + Unemployment Insurance

[redacted]

C150948

Re Unemployment Insurance - Necessity for

Statement by MR. KING:

(House of Commons, Nov. 22, 1932,
Hansard pp. 1438 and 1461)

We have always recognized that, if there was to be a national scheme of unemployment insurance, or a national scheme to deal with any phase of social insurance, it would have to be by agreement between the provinces and the dominion, or possibly by an amendment to the British North America Act which could be made as a result of such agreement. Taking that view, we advocated two years and more ago that the government should then and there appoint a commission to deal with the question of unemployment and kindred matters, so that once the necessary data had been secured as a guide to the measure to be drafted, whatever steps might be necessary in the way of an amendment to the British North America Act in order to permit a national scheme of insurance to go into effect could be taken at the earliest possible moment. One can only now say that more than two years have been lost, and that, after the lapse of that time, the government has come to the position which we of the opposition urged upon them from the time they came into office. I am glad, indeed, that the government has come around to our position. We shall I trust be able to work in harmony and co-operation with them. We commend them for their action, but at the same time, we cannot but regret that so long a period has gone by which might have been turned to good account in furthering and advancing such an all-important measure.

.....

May I point out, in coming to the question of unemployment insurance, another advantage we might have had today, had the government taken the step of appointing a commission or committee to supervise the expenditure of federal moneys, not at this time or at some time later on, but two or two and a quarter years ago. If a body of that kind had been appointed it would by now have collected a fund of information which would be at the disposal of the government and of parliament at this time.

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This Reading Bed #8
Unemployment [redacted]
Coll. - Unemployment Insurance

C150949

This may be an appropriate moment at which to make a general statement with respect to those measures of social legislation being introduced by the Government, which, under judicial interpretation of the distribution of powers between the Dominion Parliament and the provincial Legislatures, we believe to be beyond the legislative competence of this Parliament.

Where we hold the opinion that it is not competent for this Parliament, without previous amendment of the British North American Act, or by agreement with the province, to enact certain of these measures, we base our opinion upon past judicial decisions, as well as upon judicial opinion. We assert the view we do because it is the view which, until the present year, has been held by the provinces and the Dominion alike, and believed to have been unanimously held by members of both Houses of Parliament.

We are now, for the first time, being informed by the Government that it has been advised by the law officers of the Crown that recent decisions of the Privy Council justify the opinion that the legislation in question is within the competence of the Dominion Parliament, in other words, is intra vires, where formerly it was held to be ultra vires. The Prime Minister has

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given what, in his opinion, are additional reasons why the legislation should be so considered.

We still believe that in a matter of such importance the best method of relieving uncertainty, of avoiding unnecessary disturbance of business, and of determining jurisdiction in accordance with our national tradition, is by taking an advisory opinion from the Supreme Court, or by a constitutional amendment. The Government must assume sole responsibility for adopting a more arbitrary and uncertain procedure.

The Liberal party approves the principle of the social legislation thus far introduced and desires to see it in operation. We refuse to be manoeuvred into a position of opposition to this legislation. We refuse, also, by voting against the legislation, to raise directly an election issue of provincial rights.

The sole responsibility for raising the issue of provincial rights rests upon the present administration by its subordination of constitutional propriety, and the long-term objectives of national unity, and co-operation, to considerations of party strategy. We believe the attempt of the Government to make a controversy over provincial rights a major issue of the coming elections would, if successful, endanger the unity of the Dominion.

All legislation is subject to the determination of its validity by the Courts. It is certain that the validity of the legislation in question will be determined by the Courts, and,

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C150951

in the last resort, by the Judicial Committee of the Privy Council. Its validity cannot be determined by this Parliament; neither can it be determined by the result of a general election. Least of all, can legislation that is ultra vires the Dominion Parliament be made intra vires by either the assertion or the assumption of authority on the part of the Government.

If the Privy Council declares that the jurisdiction in any of the measures submitted rests with the provinces, it can only be transferred to the Dominion by a constitutional amendment. It is for this reason that we believe that the Government, some time ago, and certainly before introducing the legislation, should have sought a determination of the question of jurisdiction, and, if such were required, obtained the necessary constitutional amendment. We leave it to the judgment of honourable members of this House whether, in the eventuality of the present legislation being declared by the Privy Council ultra vires of this Parliament, the path of constitutional amendment has been made easier by the arbitrary procedure adopted by the Government.

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If Parliament possessed the jurisdiction, we would vote for the measures of social legislation thus far introduced. The position at present, therefore, is that by the conflict between what is now given, as their opinion, by the Minister of Justice and the Prime Minister, and what in previous years was expressed as their opinion, we do not know that Parliament does not possess the jurisdiction. That, as the Prime Minister himself has said, can only be determined by the decision of the Privy Council on the particular legislation. This is the safeguard provided by our constitution against the arbitrary appropriation by the Dominion of provincial powers. We propose, therefore, to vote for these measures, subject to this continuing constitutional safeguard, which is implicit in the provisions of our federal constitution, and which cannot, by any form of words, be evaded by the present Administration.

May I add that were we to vote against any of these measures, simply because of the belief we entertain on the score of jurisdiction, it would be made to appear that we are opposed to legislation as set forth in the terms of the Labour Convention and general principles associated with the League of Nations and incorporated in the conditions of peace.

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Whereas, at the National Liberal Convention in 1919, the Liberal party accepted in their entirety, in the spirit in which they had been framed, and in so far as the special circumstances of the country would permit, the terms of the Labour Convention and the general principles associated with the League of Nations and incorporated in the conditions of peace.

For us to oppose these measures would also be to adopt a course at direct variance to that which we followed when the Liberal party was last in office, at which time the Liberal Administration had already begun negotiations with the several provinces with a view to the enactment of similar measures.

An attitude of opposition to these measures might, moreover, suggest that we were not favourable to uniformity of legislation with respect to such matters as unemployment and other forms of social insurance, maximum working hours, minimum wages, "sweating", and the like. Whereas, when in office, we sought to effect a national minimum of industrial standards in the only way, short of a constitutional amendment, which it was believed was possible to effect that end, namely, by agreement between the provinces, effected as a result of conference.

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An attitude of opposition might also suggest that we were unfavourable to a constitutional amendment which would permit of the establishment, under federal authority, of a national unemployment insurance scheme, and a national minimum of labour standards. The direct opposite, of course, is the case. We have repeatedly urged that the British North America Act should be so amended as to confer upon this Parliament, subject to essential safeguards, the necessary authority to enact such measures of social legislation as may be in the national interest.

We do not propose to permit the adoption by the Government of a method which, for the reasons mentioned, we believe will prove to be ineffective, to place us in a false position as to our aim and desire to achieve, by the only method which we believe to be effective, a purpose upon which all honourable members, ~~now apparently~~ seemingly are now agreed. That method we shall yet pursue, and that aim we shall yet attain, when the inadequacy of the method now being adopted with respect to social legislation has been made apparent, and is proven to be insufficient to serve the Government's professed ends with respect to its measures of social legislation and, what we believe to be, the Government's real purpose in introducing ~~them~~ the measures in their present form, at the present time.

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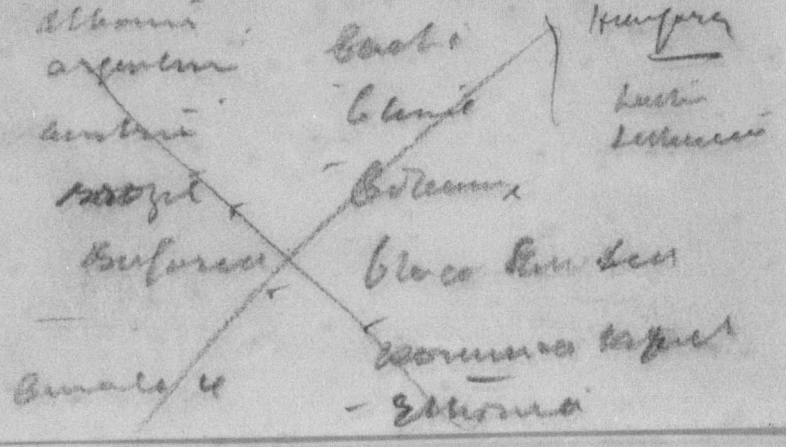
Old-Unemployment Insurance

If between 1924 and 1928 when Canada was prosperous, some scheme of unemployment insurance had been initiated the depression would have found this country with a vast accumulation of money with which to face it.

C150955



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[redacted]

~~Perhaps the most important~~ Of all the ~~constructive~~ reconstruction policies ~~set forth~~ outlined in "Industry and Humanity" perhaps the most important in their immediate bearing upon ~~social and industrial~~ present day problems of social and industrial reform ~~reform~~ are those which relate to Social Insurance, ~~in its many forms~~ They are ~~set forth~~ set forth in a chapter devoted to a consideration of principles underlying health. Social Insurance, the King defines as being in reality health insurance in one form or another. He says it is a means employed to bring about a wider measure of social justice

- - -

Social Insurance, he says.

It will

See jurisdiction etc.

See page 334

"Uhrm u."

C150957

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[redacted]

Sci Library [illegible]

C150959

It was this improvement in Canadian ~~the~~ financial ~~[illegible]~~ position which rendered possible the ~~[illegible]~~ establishment of the national system of old age pensions inaugurated ~~[illegible]~~ by the Dominion at this time, and the development of social insurance in other forms by the several provinces

— Gt financial readjusted
Gt national Bankings on their feet

Combines Act 23
old age pension 27
Equal Hon Day 30

Settlement of prov — Nat'l Revenue

Amendt to B.N.A.
Carried the [illegible]

[redacted]

C150960

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What did we do? [redacted]

unprecedented prosperity

[illegible]

C150961

[illegible]

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C [redacted]

Revised Hansard

(re Unemployment Insurance)

C150962

Nov. 22, 1932:

Mr. Bennett - pp. 1451-6;

Mr. King - pp. 1456-1463.

Q

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Coll- [redacted]

Insurance

C150964

CONFIDENTIAL

UNEMPLOYMENT INSURANCE AS APPLIED

TO

CANADA

Note: The views expressed herein are purely personal to the writer.

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C150965

To anyone not interested in the details of organization, I would suggest that the following pages be ignored:

Subject Matter	Pages
Personnel of Insurance Staff	8 to 11

The remaining pages dealing with the history of employment service, unemployment insurance and with a few of the comparisons, explanations and criticisms of the more important sections of the Canadian Act of 1935, are as follows:

Subject Matter	Page
Advisory, local & juvenile committees	21
Benefit, payment of	7
Benefit, period of	19
Benefit year	18
Conclusion	24 & 25
Contributions, payment of	6
Contributions, scale of	17
Employment service	3 & 4
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Forms, particulars of	23
Forms, specimen	27
Insurance, accounting method	11
Insurance, consideration of claim	16
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EMPLOYMENT SERVICE AND UNEMPLOYMENT INSURANCE

INTRODUCTION

The establishment of a system of unemployment insurance necessarily entails considerable thought and planning before any scheme is to function successfully. Even with the most careful planning there are bound to be some rough corners to be smoothed off, some difficulties to be ironed out, and some lessons to be learned before a perfectly sound system can be established. It should, however, be of great value to start with a system brought about by tried and successful experience of many years. Such a system would seem to promise the largest measure of success.

The Unemployment Insurance Scheme in Great Britain is working in a very efficient and satisfactory manner and is now, after many alterations and amendments, financially sound. This is originally due in part to its having been absorbed and administered by the employment exchange offices. Government employment exchanges were first nationally opened in Great Britain in the year 1910 under and by virtue of the Labour Exchanges Act 1909, after deliberations lasting over four years. Their administration was then under the jurisdiction of the Board of Trade which had power to take over all employment exchanges established by other authorities. The national system of employment exchanges was primarily established to increase the mobility of labour, the compiling of accurate information on unemployment, and to advise on, and provide, suitable openings for young persons leaving school. It was further intended that the establishment should be the basis of a background for a system of national unemployment insurance.

It was eventually found necessary to expedite the work by standardizing the type of building and office accommodation and layout and thereby cope with the volume which, from the report of the Ministry of Labour for the year 1936, totalled 3,102,758 applications and 2,624,213 placements.

First an experimental scheme for compulsory unemployment insurance was inaugurated in 1911, limited as to scope and embracing only a few selected trades covering approximately $2\frac{1}{4}$ million work people. The scheme was extended by subsequent amending legislation but it was not until ten years after the establishment of the employment exchanges that unemployment insurance commenced to

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assume the importance that it now has achieved. By the Act of 1920 approximately 11,750,000 persons in Great Britain and Ireland were directly affected.

The administration of the scheme for Ireland was transferred to that country in 1922. Everything was working smoothly until the depression came which caused a very severe drain upon the resources of the insurance fund due to the necessity of paying claims to insured contributors who became unemployed before they had had an opportunity of paying their statutory contributions and also by continuing payments to those who had exhausted their benefits. To add to this, further financial obligations were assumed by the fund which became insolvent. It was then decided to re-organize the whole scheme and found it upon a sound actuarial basis by keeping the insurance fund separate and distinct and making it responsible only for the payments of entitlement benefit. A separate fund was established to take care of the wants of employable unemployed workers who were not entitled to benefits under the insurance scheme, the fund being mostly provided by the British Exchequer.

Since then the insurance fund has had the opportunity of getting back on its feet and it is now in a very flourishing condition. The responsibility and machinery for carrying out the provisions of the scheme still rested on the shoulders of the employment exchanges which in 1936, according to a report of the Minister of Labour, consisted of 271 employment exchanges, 464 branch offices and 40 local offices, there being 13,050,000 insured contributors registered of whom 11.9 per cent were recorded as being unemployed.

The staff of the combined service totals 24,571 employees with an annual administrative cost of about $25,000,000 payable by and chargeable to the insurance fund. In the summer of 1936 agricultural wage earners, to the number of approximately 600,000, were included in a special insurance scheme under the Unemployment Insurance Agricultural Act, special provision being made to keep this fund separate, as the scale of contributions and benefits differed to that laid down in the general scheme. By December 1936 there had been 18,000 agricultural claims for benefit, representing 3 per cent of the total insured contributors.

This summary of the story of the employment exchanges gives a brief outline of how they fitted in when it was necessary to include unemployment insurance. The suggestion that the Employment Service of Canada, when re-organized, could be utilized in a similar way seems particularly appropriate in view of the British success. The present service could be re-organized and extended so that its machinery be utilized to the fullest extent not only for its own purposes, but

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for insurance. It would seem advisable to provide by legislation that unemployment insurance, employment and placement work, women's specialized services, vocational training and reconditioning for all ages, be placed under one department.

EMPLOYMENT SERVICE

Recent Survey of Canadian Employment Offices

A survey made at the request of the National Employment Commission, among other things disclosed that the lack of efficient staff, inadequacy and unsuitability of present premises were most glaringly apparent. It would therefore appear imperative that some criteria be set for employment offices generally as these offices must naturally be the foundation of any insurance scheme. I have enumerated below what I believe to be the main essentials to insure efficiency:

1. Easy of access, be central but not on a busy thoroughfare;
2. Have separate entrances for
   - (a) the staff of the office and for employers using the service,
   - (b) for male applicants, and
   - (c) for female applicants;
3. Good ventilation, suitable sanitary arrangements for staff and applicants of both sexes;
4. Suitable private rooms for personal interviews, one for each sex;
5. Adequate waiting rooms and seating accommodation (loitering to be discouraged);
6. Counter space in the waiting rooms including a teller's cage for insurance payments;
7. Board room for use of advisory committee and during rush periods for extra temporary help;
8. Where necessary separate accommodation for juvenile services;
9. Extra space for storage of records and for filing.

For the purposes of office record and efficiency photographs of the exterior of the premises and interior floor plans of each office, showing the layout and space available, should be on file at headquarters, as also confidential dossiers on each and every employee in the service containing the fullest possible particulars as to duties, salary, qualifications, experience, age and length of service.

Expansion of Employment Service for Insurance Purposes

The Employment Service staff as at present constituted is somewhere in

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the neighbourhood of 347 to which will be added approximately 100 employees, if the increases in staff recommended in the survey are adopted, consisting mostly of male and female interviewers, youth training and placement officers and scouts etc. This should take care of the pressing needs of the 65 employment service offices but will not permit of any expansion geographically, nor fulfill unemployment insurance requirements. It is probable that one or more employment offices and quite a number of branch offices will have to be opened to take care of insurance and placement needs for those parts of the country not yet covered. I have therefore examined the data available regarding the remaining more populated towns, etc., to try to gauge the requirements of the more densely populated districts without attempting to divide them into regional divisions. Before anything can be settled it will be necessary to make a survey to establish the needs of each district geographically as regards the number of the population served, the probable contributors and the focal points of location for best results. The table below gives an idea of the possibilities of location by provinces.

Province	Population	Present Employment Office	Branch Office	Total
British Columbia	750,000	8	10	18
Alberta	772,000	5	6	11
Saskatchewan	931,000	9	3	12
Manitoba	711,000	2	8	10
Ontario	3,690,000	27	57	84
Quebec	3,096,000	7	50	57
New Brunswick	435,000	4	7	11
Nova Scotia	537,000	3	12	15
Prince Edward Island	92,000	-	2	2
	11,014,000	65	155	220

(Estimated 1936)

Sub-offices, Post Offices and Agencies

For the less populated districts needing personal attention from an insurance angle, the post offices might conveniently and inexpensively be utilized either, if circumstances warranted it, by the appointment of full time or part time insurance clerks with accommodation at the local post office or by enlisting the part time services of the postmasters. It might also be necessary to appoint

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part time local representatives or agents under a system of periodic supervision by the nearest employment or branch office.

Regional Divisions

I believe it was planned under the Canadian Act to divide the country into 5 regional divisions covering the following territory:

Regional Division	Population	Territory
Maritimes	1,064,000	With jurisdiction over Nova Scotia, New Brunswick and Prince Edward Island.
Quebec	3,096,000	With jurisdiction over Quebec.
Ontario	3,690,000	With jurisdiction over Ontario.
Western	2,414,000	With jurisdiction over Manitoba, Saskatchewan and Alberta.
Pacific	750,000	With jurisdiction over British Columbia, etc.

I have no doubt that investigation and due consideration was given before these divisions were decided upon.

UNEMPLOYMENT INSURANCE

Suggested Cost, Organization and Personnel

Wage Earners

Accepting as correct the figures given to the House during the 1935 debates, and compiled from the 1931 census, there were 2,577,001 wage earners in Canada, it being estimated there might be in excepted employment, as outlined in the Act, the following:

Excepted Classes

Males	200,468	in agriculture	Females	227,941	in miscellaneous occupations
	10,379	in fishing and trapping			
	41,480	in logging			
	301,450	in miscellaneous occupations			
	553,777			227,941	

Total excepted classes.....781,718

Insurable Persons

This would leave 1,464,557 male and 319,726 female wage-earners; including unemployed, at that time numbering 422,076 males and 47,882 females. It is safe to assume that 20% of these unemployed would for various reasons such as age, disability, etc., never be re-absorbed into industry, so the above figures must again

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be reduced by 84,415 males and 9,576 females, leaving as insurable persons under the Act 1,380,142 males and 310,150 females

Contributions

In arriving at a rough estimate of the total revenue derived from contributions which could possibly be received in the first insurance year of 52 completed weeks, the insurable persons must be classified under adult, young persons and sex groups. It is safe to assume that 14% of the insurables, being under 21 years of age, would not be called upon to contribute the maximum weekly contribution, which would mean 193,220 males and 43,321 females contributing on an average 12 and 10 cents per week respectively, to which would be added a like amount from each of their employers - (Rather than estimate the numbers of young contributors liable to come under the three youth scales as laid down by the Act, I have based my figures on the above averages).

Qualifying Contributions

The following gives some idea of the total revenue that might be received from the 40 statutory contributions necessary to enable an insured person to qualify for benefit:-

Youth Classes

193,220 young males x 24 cents x 40 weekly contributions might yield	$ 185,491
434,421 young females x 20 cents x 40 " " " "	34,737

Adult Classes

the adult scale being 25 cents weekly for males and 21 cents for females with the employers contributing a like amount -

1,186,922 adult males x 50 cents x 40 contributions might yield	$23,738,440
266,729 adult females x 42 cents x 40 contributions " "	4,481,047
Total 40 weeks contributions adults	$ 28,219,487
Total 40 weeks contributions young persons	220,228
Total	$ 28,439,715

Further Contributions

Deductions must now be considered for off days such as sickness and holidays which, for the purpose of estimate, might be fixed at not less than three weeks in any one year, but before calculating the contributions for the 9 remaining weeks to complete an insurance year I must deduct the number of insured contributors who may be unemployed after qualifying for benefit (40 contributed weeks). The British percentage of 11.9 unemployed insurable workers might be accepted but I prefer to be less optimistic and have taken the larger figure of 15% for Canada. Attention

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must be further directed to the fact that no deductions have been made for contributors who for some reason or other have been unable to contribute sufficiently to qualify for benefit.

Number Still Contributing for Balance of Insurance Year

85% of the contributors or 164,237 young males x 24 cents x 9 weekly contributions might yield	$ 354,752
85% of the contributors or 36,908 young females x 20 cents x 9 weekly contributions might yield	66,434
85% of the contributors, 1,008,884 adult males x 50 cents x 9 weekly contributions might yield	4,539,978
85% of the contributors, 226,720 adult females x 42 cents x 9 weekly contributions might yield	857,002
Total for 9 contributions	$ 5,818,166
Total for 40 contributions	$ 28,439,715
Total for 49 contributions	$ 34,257,881
Under the Canadian Act there would be added one fifth of the above contribution given by the Federal Government	$ 6,851,576
Total probable income for first insurance year	$ 41,109,457

Note: No notice has been taken of employers' contributions made on behalf of employees with exemption certificates.

The cost of administration in Great Britain is chargeable to the insurance fund to which the government contributes one third net. In Canada the cost of the scheme would have been borne by the Federal Government - its contribution, one fifth of the total net contributions.

Payment of Benefits

Based on 15% of the insured contributors being entitled to benefit and allowance being made for deductions for time off plus the 9 days waiting period, there would be approximately 7 weeks left in the insurance year for the payment of benefits. For the youth groups I have taken an average weekly benefit allowance rather than divide them under the different scales.

15% of the contributors or 28,983 young males x $2.90 weekly benefit x 7 weeks might receive	$ 586,528
15% of the contributors or 6,513 young females x $2.40 weekly benefit x 7 weeks might receive	109,418
15% of the contributors or 178,038 adult males x $6.00 weekly benefit x 7 weeks might receive	7,477,596
15% of the contributors or 40,009 adult females x $5.10 weekly benefit x 7 weeks might receive	1,428,321
(253,543 persons) Total statutory benefits	$ 9,601,863

Dependants

To this must be added an estimate of the number of possible dependants

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to whom, upon proof of entitlement, benefit might be paid; for this purpose a reasonable figure has been taken for each class.

30% of the young male claimants or 8,695 with one adult and 2 children at $4.50 per week x 7 weeks might receive.....	$ 273,893
30% of the young female claimants or 1,954 with one adult and 2 children at $4.50 per week x 7 weeks might receive.....	61,551
50% of the adult male claimants or 89,109 with one adult and 2 children at $4.50 per week x 7 weeks might receive.....	2,804,099
30% of the adult female claimants or 12,002 with one adult and 2 children at $4.50 per week x 7 weeks might receive.....	378,063
Total dependants benefit.....	$ 3,517,606
Total statutory benefit.....	9,601,863
Total benefits for first insurance year.....	$ 13,119,469

Benefit Year

It must be understood, however, that although the recipients received 7 weeks benefit to complete the insurance year, they are entitled if still continuously unemployed, to receive the balance of 6 weeks benefit in the next insurance year, as their benefit year only commences to run from the date upon which claim for benefit is made and is in no way affected by the closing of an insurance year.

Personnel of the Insurance Staff

Issuance of Insurance Books

A survey should be made to ascertain how many offices should be opened in each regional division and until that is definitely decided it is impossible to really estimate the number of employees needed. The first important work of any magnitude will be to issue the application forms to the prospective contributors, necessitating a large temporary staff whose primary duty will be to receive the completed forms, interview the applicants at the local offices and complete the descriptive paragraphs of the insurance books. It will take two months to issue approximately 1,700,000 of these books, there being 1,380,142 male and 310,150 female contributors. As the books are completed and given out, records will be entered and kept, i.e. alphabetical application and classified occupational registers etc. An insurance clerk should be able to enter up 8 cases an hour, 6 hours a day in a 34 work week over a period of 2 months, so that 650 male clerks with 100 supervisory clerks and 150 female clerks with 25 supervisory clerks should be ample to cope with this work in the required time.

Commencement of Benefit

After the above rush is over, the more efficient of the temporaries could

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be made permanent and form the nucleus of an insurance personnel. In the meantime employees could be appointed by the Civil Service Commission and trained to take care of enquiries and routine work, but when the second rush period occurs, brought about by requests for benefit from contributors who have become unemployed after the lapse of the 40 contributory weeks period, a large trained staff will have to be available, their duties consisting of interviewing and examining applicants for benefit, receiving, recording or filing the insurance books at regional headquarters, checking the contributions marked therein, forwarding requests to regional headquarters for authority to pay and the issuance of weekly report and receipt slips. Accepting the number of insured contributors unemployed and entitled to benefit as 15% of the total contributors, and estimating personal interviews at 6 per hour per clerk, and that every working day in each week will be a benefit payment day for someone of the occupational classes of contributors, it would necessitate the employment of a staff of at least 1,050 male and 240 female insurance clerks exclusive of supervisory staff.

If payment is made in cash, that being the method adopted in Britain, it would necessitate the employment of a number of paying tellers whose primary duty would be to collect the report and receipt slips from the applicants, after certification by the insurance clerk, and make payment of the amounts marked thereon, retaining the slips so that they could be forwarded with the day's accumulations to regional headquarters. The actual payment of a claim should not occupy much time and it would be safe to say that 30 claims could properly be paid in an hour - or an average of 1,020 payments a week per teller, necessitating the appointment of 260 paying tellers.

Commission Headquarters Personnel

3 Commissioners - That is if the old Act is made the basis of the appointment.
1 Chief Executive
1 Chief Accountant
1 Director of Insurance
1 Director of Employment Service
1 Director of Publicity
1 Chief of Inspection Staff
1 Legal Advisor
1 Chief of Statistics
1 Vocational Director
1 Chief of Supplies
1 Secretary to Commission and to act for the Advisory Committee
5 Divisional Accountants
1 Chief of Registry
1 Law Clerk
3 Principal Clerks
5 Statistical Clerks
20 Bookkeepers

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6 File Clerks
8 Personal Stenographers
5 Clerks
10 Stenographers
2 Messengers

Totalling 80 Probable Cost $165,000

Note: If an Unemployment Aid Division is placed under the Commission, it will necessitate an increase in the staff at headquarters and in the regional divisions.

5 Regional Headquarters Personnel

1 Regional Superintendent
1 Regional Insurance Director
1 Regional Employment Director
1 Regional Accountant
1 Regional Inspector
1 Regional Statistician
4 Assistant Accountants
40 Ledger Keepers - depending upon the number of contributions and benefit recipients in each regional division.
5 File Clerks
1 Chief Clerk
1 Principal Clerk
2 Statistical Clerks
6 Clerks
10 Inspectors - depending upon the size of each regional division.
10 Stenographers and Typists

Totalling 85 Probable Cost of 5 Regional Offices $550,000

Note: The numbers of the staff in these offices would vary considerably according to the volume of work.

Insurance Staff Personnel

The rank and file of the insurance staff approximately:

100	male supervisory insurance clerks at average salary, $1,800 per annum.....	$ 180,000
1,050	male clerks at average salary $1,500 per annum.....	1,575,000
25	female supervisory clerks at average salary, $1,400 per annum.....	35,000
240	female insurance clerks at average salary, $1,080 per annum.....	259,200
260	paying tellers at average salary $1,200 per annum.....	312,000
Totalling 1,675	Probable cost of insurance rank and file	$ 2,361,200

Inspection Staff Personnel

This staff should consist of not less than 50 inspectors divided provisionally as follows:

Toronto	12
Montreal	12
Winnipeg	6
Vancouver	6
Hamilton	4

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Ottawa	2
Calgary	1
Edmonton	1
London	1
Halifax	1
Saint John	1
Windsor	1
Regina	1
Saskatoon	1

Totalling 50 Probable Cost of Inspection Staff $90,000

Total Administrative Costs

Headquarters Personnel	$ 165,000
Five Regional Divisions Personnel	550,000
Insurance Personnel	2,361,200
Inspection Staff Personnel	90,000
Re-organized and Extended Employment Service	1,100,000
Rentals, Supplies, Travelling Expenses and miscellaneous	533,800
	$ 4,800,000

Note: To the total cost will be added the expenses of the Advisory Committee and incidentals of the Courts of Referees.

Insurance Accounting Method

In Great Britain the accounting is under the control of an Accountant General of the Finance Department, the whole of the financial set up being situated at Kew and numbering approximately 5,000 employees. All claims and payments are regulated from that office but, owing to the vaster geographical area of Canada this method would not operate to the degree of expedition necessary for efficiency. The following procedure is suggested as embracing all the best features of a strict control, expeditious handling and efficient management.

Headquarters Accounting Staff

Chief accountant in charge of finance.
A divisional accountant representing each division.
Bookkeepers, filing clerks and one or more stenographers.

Regional Accounting Staffs

Accountant in charge of each regional office.
Bookkeepers, depending upon the number of open and live accounts in each division.

Local insurance officers at each office would be required to co-operate with the regional accountants as further outlined below.

In order to keep a strict control over benefits to be paid out, the following procedure is suggested: an "imprest fund" to be established by the chief accountant at head office for the divisional and local offices, the amount of the fund being determined after a careful estimate of probable beneficiaries applying

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for benefit. Payments to be made against these imprest funds at the various offices after being properly authorized by the regional accountant or in case of emergency temporary payments by the local insurance officer. Periodically each local office to send to the regional office a summarized statement of moneys paid certified correct by the local insurance officer. These statements to be checked at the regional office and upon being passed by the chief accountant or his divisional assistant at headquarters, reimbursing cheques to be prepared for the signatures of two of the commissioners, thus establishing the imprest funds at their original amounts. By this means a strict control of payments will be kept and in addition it would simultaneously be known at headquarters, regional and local offices, the amounts paid out to date, enabling the accounting branch to furnish the commission with current financial statements.

The chief accountant to be required to account for all receipts paid to and due to the commission from the sale of stamps, contributions from the federal government and other receipts.

By means of returns from regional and/or local offices, financial statistics as required could be summarized at headquarters under the direction of the chief accountant co-operating with the chief of statistics and director of insurance.

A very considerable amount of preliminary work will have to be done by the chief accountant in staff organization, preparation of proper accounting records and forms, and in educational work in interpreting the practical accounting elements under the Act.

An alphabetical index to be kept in the regional offices being a duplicate of the applicants' indices kept by the local office; when an insurance book is issued to a contributor, a ledger account to be opened in the regional office and entries posted on the credit side of the ledger account, taken from the information recorded in the insurance book and reports from the local office. Duplicate ledger sheets to be kept at headquarters. The debit side of the ledger to be entered up at the end of each benefit year or as, and when, a claimant comes on benefit, entries to be made immediately after payment.

Upon a claim for benefit being made, the local office to forward the insurance book and to ask on an appropriate form what credits are available for the last two insurance years and also what period of benefit the claimant is entitled to for any previous insurance years. The regional office to supply a certificate showing how much the claimant is entitled to.

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Special Classes of Insured Persons

The Commission has power under Section 25 of the Canadian Act to make regulations in regard to the following special classes of insured contributors:

a. Persons who habitually work for less than a full week;

b. Persons whose normal employment is for portions of the year only in occupations which are seasonal;

c. Persons whose normal employment is in an occupation in which their services are not normally required for the full week, etc.;

d. Married women who since marriage or in a prescribed period subsequent to marriage have not contributed the necessary number of contributions;

e. Persons who by custom or pursuant to agreement with an employer are paid, in whole or in part, by the piece or on a basis other than that of time.

While these clauses were taken from the British Act, they are not identical, but to obtain some idea as to how they function I shall briefly refer to the British method of procedure.

The British Minister of Labour has power to make orders imposing special conditions and restrictions on the following classes;

(1) Part time workers who receive more than the normal earnings for a full week;

(2) Seasonal workers;

(3) Persons who normally work on not more than two days a week;

(4) Married women.

Numerous decisions have been rendered by the umpire on these classes.

Seasonal Workers

Seasonal workers such as hotel workers, workers in amusement parks, chair attendants at holiday resorts, fruit pickers, jam makers and all workers who work in trades which are termed seasonal, who, although they satisfy the statutory conditions, are not permitted to draw benefit in Britain unless they can prove that they comply with the following conditions:

1. That during the last two years preceding the application they have been employed to a substantial degree in the off season period; and

2. That they can reasonably expect to obtain insurable employment to a substantial degree during the off season (25% of the off season).

Under the Canadian Act, the commission was granted power to make regulations regarding these classes and such employed persons may claim exemption from insurance, but the employer must pay his share of the contribution for each exempted person on his payroll.

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Part Time Workers

Under the British Act an insurable worker who habitually works in insurable employment 3 days a week or 6 days in every fortnight is entitled to receive benefit for the unemployed portion of each week but such benefits may be materially reduced, his earnings for each 3 working days being taken into consideration. The amount of the salary paid and the amount of benefit together must not exceed the amount of normal weekly earnings payable for such trade or occupation in the district.

It is quite clear that under the Canadian Act, part time insurable workers could never become entitled to benefit, and whilst they are compelled to make contribution they are only entitled to a refund of the contributions so paid. Whatever was the intention of the drafters of the Act, I am unable to say but by limiting the definition of the word "contribution" to a full week's work it presumably bars a 3 or 5-day worker in each and every week from ever becoming entitled to benefit no matter how many years he may contribute, his only recourse being a return of his contributions. It is my firm opinion that this limitation should be removed from the Canadian Act.

Workers Who Regularly Work Only Two Days Per Week

In Britain when a worker is required to work only two days in every week, this being the regular custom of the particular job, he will not be allowed to draw benefit for the other four unemployed days even if he has contributed the statutory number of contributions within the last two years. This applies to charwomen and printers who only work week ends.

Married Women

Special regulations have been laid down in Britain regarding the payment of benefits to married women and the following conditions have to be complied with before payment can be made:

1. That she has been deserted by or separated permanently from her husband or that her husband is incapacitated for at least six weeks;
2. That in the event of (1) she has secured 15 contributions in respect of employment since marriage;
3. That she is normally employed in insurable employment and will normally continue to earn her livelihood by means of insurable employment;
4. That her being married has not materially affected her chance of employment.

Insurance Procedure

Prior to the date set for the first payment under an unemployment insurance

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scheme, all employers of labour should be supplied with literature explaining the purposes and scope of the Act, describing who may or may not be insured, the method of payment of contributions and amounts of the same, the responsibilities of the employer for contributions under the Act, and the penalties for any infringement thereof. They should be called upon to supply a list, with addresses, of all the employees, whether insurable or not, and in case of doubt as to what constitutes excepted employment, communication should be directed to Ottawa or the nearest employment office. From these lists application forms, with full instructions, should be forwarded to all employees, but in case this method of contact does not cover all wage earners, copies of the application form should be made available at all post offices, employment offices, etc.

Insurance Book

The application forms when completed should be returned to the nearest employment office by each applicant, and the insurance book prepared and issued. The applicant to then take his insurance book and hand it to his employer, in whose custody it will remain until the applicant is either unemployed or the first insurance year expires at which time it will be returned to the nearest local office for replacement by second year's book.

The employer on each pay day must record in the insurance book, in a manner yet to be decided, the contributions for each of his insurable employees, a stamp presumably representing the joint contributions of both parties, a deduction being made from the employee's salary for the latter's portion of the contribution.

How to Obtain Unemployment Benefit

When a contributor becomes unemployed and wishes to claim benefit, he should first examine his insurance book which will have been returned to him by the employer upon becoming unemployed, and ascertain how many contributions have been made, and if he has forty contributions registered representing that number of full weeks worked, he should immediately make application to the insurance officer at his local employment office and lodge his insurance book. He must then make claim on the prescribed form which will be supplied to him. His insurance book and application are then filed in the local office. If he wishes to also claim for dependants benefit, he must be sure to fill in particulars on the form and be in a position to substantiate the dependency claim by the production of of marriage certificate, birth certificates of any children, or if not available, a letter from a local clergyman verifying the facts. In case of dependency claims

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for adult persons dependent upon a claimant other than a wife, evidence such as letters and other documents should be procured to establish such dependency. If a claimant fails to make a claim for dependency benefit when lodging a claim, loss of benefit may arise. Payment will only be made for one adult dependant to each contributor.

Consideration of Claim

Upon receipt of a claim, the insurance officer may allow or disallow it under certain circumstances but if it is allowed, he will request from the regional accounting office a statement of benefits payable.

Statutory Conditions

There are certain statutory conditions that must be complied with when first making claim for benefit, so it is advisable for a claimant to appear in person, if within a reasonable distance of a local employment office, and show that:

1. Not less than forty full contributions have been paid in respect of two years immediately preceding the date of application for benefit. The two year period may be extended to not more than 4 years in cases of sickness, etc. or time worked in non-insurable employment but only to the extent of such period.

2. Application for benefit has been made in the prescribed manner, and that claimant is able to prove that since the date of the application there has been continuous unemployment.

3. Claimant is capable of and available for work, but unable to obtain suitable employment.

In Britain, the following extra condition is attached: that claimant has duly attended an approved course of instruction if required to do so.

The insurance officer has power to disallow all claims except under the third statutory condition and in the latter case such questions must be submitted to the Court of Referees.

Court of Referees

In Britain the Court of Referees consists of three persons - a chairman appointed by the minister, usually a local solicitor (remuneration £2 - 0 - 0 a session), an employers' representative and an insured contributors' representative.

The court decides all questions referred to it and when claims are allowed they are paid on claimant's next pay day, but if the insurance officer disagrees with the court's decision, he may refer the claim to the umpire, payment of benefit continuing in the meantime until a decision is given. The costs incurred in referring a claim are borne by the government, as also the travelling expenses of claimants.

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The claimant is allowed to appeal the court's decision under the following conditions only:

(1) Where the court was not unanimous,

(2) By leave of the court.

The decision of the court is handed to the claimant immediately after hearing and an appeal may be made by him within six months.

In case an applicant is rejected on the grounds that he is not capable of or available for work, he may renew his application for review at intervals of not less than 6 weeks.

Dismissal from Employment

If a worker is dismissed from his employment through misconduct, or has left without good cause, he is liable to be disqualified for benefit for a period not exceeding 6 weeks, or even a shorter period if the Court of Referees so decides.

The sections in the British Act are identical with those of the Canadian Act.

Scale of Weekly Contributions

Type	By Employer	By Employee
Workers of the age of 21 years and over		
Men	.25	.25
Women	.21	.21
Workers of the age of 18 years and under 21		
Men	.18	.18
Women	.15	.15
Workers of the age of 17 years and under 18		
Boys	.11	.11
Girls	.09	.09
Workers of the age of 16 years and under 17		
Boys	.07	.07
Girls	.06	.06

The employers' contributions must be paid for employees who are in receipt of exemption certificates. Contributions are returnable upon application made for contributions representing less than a full week's work.

Note: In Britain the Act covers workers from 14 years to 65 years of age, contributoryold age pensions being in force at 65 years of age.

Waiting Period

When a claim is filed there is a waiting period laid down by the Canadian Act of 9 days for which period no benefit is payable, based on the assumption that an employed worker should have laid aside sufficient resources to keep him whilst unemployed for that period. (In Britain the period is 6 days). Benefit is paid

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on the sixth day of the week following termination of the waiting period.

Continuous Period of Unemployment

This in Britain is known as the "continuity rule" wherein two or more periods of unemployment can be regarded as one continuous period so that in such cases no extra waiting period is required.

Any three or more days of unemployment, whether consecutive or not, that fall within one week, and any two such periods are considered as continuous with one another if they are not separated by more than 6 weeks.

The rules in the two countries differ to this extent: In Britain an insured contributor, who has completed two such periods will not have to complete any further waiting period, but in Canada he would still have to wait an extra 3 days to complete the full 9-day period. The period in Canada is 6 weeks and in Britain 10 weeks.

Benefit Year

A benefit year is 12 months commencing on the date upon which a person first applies for benefit and satisfies the first statutory condition (40 contributions in the last 2 years) and in the case of claimants who have exhausted their right to benefit, but have secured 13 additional contributions (10 in Britain) on the date which they prove that the last of these contributions have been paid and every twelve months thereafter.

Benefit Scales

Benefit will be paid at the following rates:

Type	Per Day	Per Week
Workers of the age of 21 years and over		
Men	$ 1.00	$ 6.00
Women	.85	5.10
Workers of the age of 18 years and under 21		
Men	.70	4.20
Women	.60	3.60
Workers of the age of 17 years and under 18		
Boys	.45	2.70
Girls	.35	2.10
Workers of the age of 16 years and under 17		
Boys	.30	1.80
Girls	.20	1.50

Dependants Benefit

	Per Day	Per Week
Adult	$ .45	$ 2.70
Dependent Child	.15	.90

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Period of Benefit

Upon the completion of the 40 contributions and the waiting period a claimant is entitled to a maximum of not more than 78 working days or 13 weeks' benefit, that is, of course, if he is still complying with the statutory conditions. Depending upon his length of employment, he will be entitled to additional days of benefit over and above the statutory period if not less than 100 contributions have been paid during his last complete insurance years, not exceeding 5, last preceding the benefit year for which the computation of additional days is made, at the rate of one day's benefit additional for every contribution paid as an insured contributor, less one day for every three days of benefit for which benefit has been paid to him for his benefit year, not exceeding 5 years, but in no case to extend beyond the benefit year.

Every two contributions paid by workers under 18 years shall be considered as one, this is applicable to both countries..

Adult Dependant

Payment of benefit can only be paid on behalf of one adult dependant to each contributor and is limited to the following:

A. To his wife if living with him or being maintained wholly or mainly by him;

B. To a housekeeper residing and being wholly or mainly maintained by claimant, who has the care of dependent children;

C. To a married woman, if her husband is dependent upon her.

In Britain the definition is much wider and includes a father, mother step father and step mother under special circumstances.

Child Dependant

Payment of benefit can only be paid on behalf of a child of the claimant if:

A. The child is under 14 years of age and is wholly or mainly maintained by claimant, or

B. Is between the ages of 14 to 16 years and is wholly or mainly maintained by claimant and is either

1. under full time instruction at a day school or,
2. is prevented from so doing by illness or other disability.

The definition includes adopted, step and illegitimate child. In Britain dependent younger brothers, sisters, half brothers and half sisters are included if under 16 years of age and subject to sub-section B.

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Dependent Benefit, When Not Payable

Dependent benefit is not payable in respect of any period during which the claimant is not entitled to receive unemployment benefit.

Spare Time Worker in Receipt of Benefit

Under the British Act an applicant for benefit is not entitled to receive any benefit for any day he derives any remuneration or profit unless he can prove:

1. That the occupation for which he received the remuneration could have been carried on in addition to his ordinary occupation and outside his ordinary working hours; and

2. That he does not receive for such occupation more than three shillings and four pence per day on the average.

In Canada the provision is the same except that the maximum remuneration allowed is one dollar per day.

Meaning of Employment

Part 1 of the schedule of the Canadian Act defines what may be considered employment within the meaning of the Act and includes:

A. All contracts of service or apprenticeship, expressed or implied, written or oral, no matter how paid,

B. Employment under the Dominion, provincial or municipal governments, or other public authority, other than employment excluded by special order of the commission, and

C. Special reference to employment outside, or partially outside of Canada.

Excepted Classes Comparison

Under the Canadian Act	Under the British Act
A. Employment in agriculture, horticulture and forestry;	A. Now insured under the Unemployment Insurance Agriculture Act, 1936.
B. Employment in fishing;	B. Only applies to sharesmen and not to wage earners;
C. Employment in lumbering and logging etc.	C. Insurable;
D. Employment in hunting and trapping;	D. Not applicable;
E. Employment in transportation, by water and air, etc.	E. Insurable;
F. Employment in domestic service, etc.	F. Similar provision;
G. Employment as a professional nurse, etc.	G. Female professional nurses only excepted;
H. Employment as a teacher, etc.	H. Similar provision;
I. Employment in the army, or sister service, including R.C.M.P;	I. Similar provision with some reservations;

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J.	Dominion, provincial and municipal police forces;	J.	Similar provision with some reservations;
K.	Civil Service of governments upon certification of the Commission;	K.	Somewhat similar provision;
L.	Employment as commission agent with some limitations;	L.	Similar provision;
M.	Employment, other than manual labour where rate of remuneration exceeds $2,000 per annum; (white collar class).	M.	Similar provision, the amount being £250 per annum;
N.	Persons casually employed for private purposes;	N.	Similar provision;
O.	Subsidiary employment under special order of the commission;	O.	Similar provision;
P.	Persons employed by their husbands or wives;	P.	Similar provision;
Q.	Persons maintained by employer and not receiving wages or other money payment;	Q.	Similar provision;
R.	Employment in which persons are employed and paid for playing a game;	R.	Insurable.

Trade Disputes

There is no disallowance of benefit on the grounds of participation in a trade dispute if the claimant can prove:

A. That he is not taking part in, or financing, or directly interested in the dispute which caused the stoppage, or,

B. That the persons taking part in, or financing, or directly interested in the dispute do not include any members of his own class, who prior to the dispute were employed at such works, or

C. That he obtained work elsewhere during the dispute.

Training Courses for Young Persons

The British education authorities have power to compel the attendance at courses of instruction of all juveniles under the age of 18 years who are unemployed, where such attendance can reasonably be required.

If a juvenile refuses to attend a course when notified to do so, he will be disqualified for insurance benefit; furthermore proceedings may be taken in a Court of Summary jurisdiction and he is liable to a fine of 5/- for a first offence.

Advisory and Juvenile Local Committees

To each British exchange there is usually attached one local employment committee. The members are chosen equally, by the Minister of Labour, from panels of employers and insured workers nominated in the district and from a third

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panel consisting of representatives of local authorities, Ex-Service Men's Association and juvenile advisory committees. Employment of juveniles under 18 years is dealt with by the local juvenile advisory committee.

The service on these committees is voluntary, but allowance is made for travelling expenses, subsistence and compensation for loss of time of members.

Provision has been made in the Canadian Act for the establishment of these committees.

Unemployment Assistance in Britain

The care of employable unemployed workers, who have either exhausted their benefits under the insurance scheme, or are in the excepted classes, is dealt with by the Unemployment Assistance Board utilizing the machinery of the employment exchanges. The special fund, out of which benefits are paid, is practically completely financed by the British Exchequer. The fact that there is a means test applied to all cases and it is conducted under strict government control, clearly established the method as much superior to that of relief as practiced in Canada. The insurance scheme and unemployment assistance payments are carried out through the medium of the same local offices so that overlapping and other abuses are reduced to a minimum.

In carrying on the means test the following sources of revenue are taken into consideration:

a. The amount of earnings of other members of the family;

b. The amount of investments, bank accounts and other interests;

c. The amount of income received from sub-tenants, lodgers, and boarders;

d. Family income from unemployment benefits, widows, old age pensions and superannuation pay.

Scale of Allowances

Class	Assistance as compared to Insurance Benefit	
Man and wife living together	24/- a week	26/-
Man who is a householder	16/- a week	17/-
Woman who is a householder	14/- a week	15/-
Dependent child under 5 years	2/- a week	3/-
Other members of the household scale downwards from	10/- to 3/- a week	

If such a system of assistance were enforced in Canada, it would probably be known as Unemployment Aid and would apply only to employable unemployed.

Suggestions for Some of the More Important Forms

Form of Application for Insurance

This form contains a complete description of the applicant, particulars

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of his present occupation, date of birth, (birth certificate or other record being produced and verified). All applicants should whenever possible appear in person. Number of dependants with ages and relationship - for later verification when a claim for benefit is made.

Alphabetical Contributors' Index

The information abstracted from the application form and posted on an applicant's register card. The card kept alphabetically and a designating classification letter and number assigned to each applicant. The initial registration number remaining with the contributor for the whole of his insurance life. This index will facilitate searching for records and supply information as to the number of books issued by each office.

Occupational Classification Index

Each application to be classified under the worker's main occupation, the card filed in alphabetical order under such classification, statistical information being thereby readily available as to the number of workers insured in any given occupation. A cross reference card to be used in cases of dual occupation.

Unemployment Insurance Book

A folded cardboard book, made to stand rough usage, containing on the front page an accurate description of the contributor, for verification purposes at any time and on the inside a space for the attachment of stamps to denote the weekly contributions, a place for contributor's signature and instructional information for his guidance.

Contributor's Ledger Sheet

An individual ledger sheet for each contributor to be opened at the regional office immediately, the insurance book is first lodged at a local office for the purposes of benefit or any other cause. The system of accounting has already been described.

Application for Benefit

This card to be completed by the contributor when applying for benefit; it contains a certification that he is unemployed. On the back of the card there is a space for entries for local office use. A request for authority to pay would then be issued and forwarded with the insurance book for the O.K. of the regional accounting section, there being ample time for this authority to be obtained, the

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waiting period for a contributor being usually 9 days and payment being deferred until one week after the waiting period has elapsed. In cases of any further delay, arrangements could be made for provisional payments by the insurance officer.

Weekly Report and Receipt Slip

When the insurance book is lodged and application made for benefit, claimant will receive at the conclusion of the waiting period a weekly report and receipt slip, which will be retained by him until 6 working days have expired; it will then be presented for payment, there being space for certifying the days of unemployment for the previous six days. Upon payment being made the receipt portion of the slip will be signed and handed to the paying teller. These slips to be then forwarded to the regional office, a record being kept on the claimant's card.

Transfer Card

Upon a contributor's transfering to another local office, a transfer card to be forwarded to the new office with his records. A counterfoil record to be kept containing the fullest particulars, and filed in the local office; each transfer to be listed on a monthly report to the regional office.

CONCLUSION

It is unfortunate that satisfactory statistics showing the extent of unemployment in Canada are unobtainable. There are of course the records of the trade unions and the registering of those in receipt of Aid, but these represent only a portion of those unemployed; but it is apparent from what information is available that the prevalence of unemployed is most marked among young persons who either have lost their employment at the beginning of their industrial career, or were never able to obtain employment and have therefore had no employment or training.

Relief or public works which have been adopted in a number of countries are merely a temporary measure of relieving unemployment and as the principles of unemployment insurance can be applied to the ordinary incidence of unemployment it could be definitely considered as a permanent means of relieving unemployment. Whilst insurance does not of itself act as a cure, it materially assists a worker in carrying on over periods of unemployment due to trade fluctuations by means of payment of partial compensation for loss of wages. An insurance scheme should be inaugurated at a time when prosperity is increasing and should embrace as many of the wage earners as possible who are exposed to the risk of unemployment. The

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fact that Britain is considering increasing the wage limit for insurable purposes for non-manual workers from £250 to £400 should be carefully considered when comparing the figure previously fixed for Canada at $2,000 per annum.

Any scheme adopted should be based on the following criteria:

1. It should be as simple as possible and each clause of the Act should be understandable by all;

2. It should do good to the greatest number, by that I mean as many wage earners as possible should be included, but this would not necessarily include occupations which are of a permanent nature;

3. The contributions received and benefits paid out should be sufficient to take care of all eventualities or in plain English the scheme should be actuarially sound. The rates of contributions and benefits to be revised if conditions warrant;

4. Politics should not play any part therein;

5. The contributor to have the right to receive benefits for the contributions paid so therefore the word "contribution" should not be limited as was the case in the 1935 Act. Why should a contribution have to represent 6 days' work in each and every week?

6. The cost of the scheme should be borne primarily by the employers and the insured;

7. The benefits should be fixed at an amount that will not encourage "old soldiering";

8. The conditions of benefit should exclude claims other than those occasioned by involuntary unemployment;

9. The Act authorizing the scheme should permit of regulations being formulated to take care of future changing needs.

In regard to the re-organization of the employment service, it will be sufficient if I referred to a report made by the British Minister of Labour on employment exchanges: "The functions of the employment exchange service is to secure a more efficient organization of the labour market by so assisting in the direction of the various movements in labour resulting from development and changes in industry ..... that workers seeking employment may be placed in touch without avoidable delay with employers who can make use of their services. The exchanges themselves cannot create openings for work where none exist, nor can they place employers in touch with work-people of the required qualifications unless they are available for employment. But by obtaining as full information as possible from employers about immediate and anticipated needs for employment, the service can assist employers to obtain the best qualified work-people and can direct unemployed men and women to employers who have openings suitable for them. The Service can not only bring together employers and work-people in the same town, but by a system of exchanges assist the movement of labour from one district to another."

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This to my mind is a very great argument for the nationalization of the employment service more particularly if it were be coupled up with a uniform system of unemployment insurance.

The preparation of an analysis of the sections of new legislation, and if the British Act is to be accepted as a pattern, a comparison to be made to ascertain exactly which of its sections would be adaptable to Canada. This, I am afraid, was not quite the case under the 1935 Act.

The officials responsible for the administration of the proposed Act should be given an opportunity of personally examining some insurance scheme in operation and thereby avoid the pitfalls and difficulties that was the experience in the earlier days in other countries. I would suggest for one, that the British Act be seen in operation and facilities made for an investigation of the methods adopted by the financial experts in the accounting offices at Kew, England, as also the procedure in the London regional office and in the largest employment exchange at Holloway.

An immediate survey of Canada to be made before any geographical distribution is made of the country, so that an efficient allocation can be made of regional divisions, employment and branch offices.

EXHIBITS

So that the reader may be familiar with the more important types of unemployment insurance forms, I have drafted a few of these in such a way that they would, I believe, be particularly applicable to Canadian conditions.

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I

APPLICATION FORM

1 Surname ..... (Block Letters)

Christian Names ..... (In full) (If female add Mrs or Miss)

2 Date of Birth Day ..... Month ..... Year ..... (Please produce Birth Certificate or Records)

3 Age ..... Height ..... Weight ..... Colour of Eyes .....

4 Nationality ..... Where born .....

5 Status M. ..... S. ..... W. .....

6 Dependants N°. of ..... (A) Adult ..... (B) Children .....
Give names and ages of A and B .....
.....
Names and ages of other Dependants and Relationship
.....
.....

FOR OFFICIAL USE ONLY

Office of Issue .....
.....
Serial N°. .....
Classification .....
.....
Birth Certificate or other Record .....
Verified by .....
.....
Book issued by .....
.....
Date .....
Information entered by .....

7 Occupation .....
Employers Name .....
Address of Works, etc. .....
Employers Business .....
Department in which employed .....
Type of work .....
Date your employment began .....

8 Alternative Occupation(s) .....
.....

I hereby apply for an Unemployment Insurance Book and certify that the particulars given on this form are correct to the best of my knowledge and belief.

Date ..... Signature .....
Address .....

Note:— The penalty for false statements knowingly made for the purposes of obtaining or avoiding payment under this Act is

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[redacted]

2

APPLICANT'S REGISTER CARD

1938....Date Book Issued.....Office.....N°.....
.....Surname Classification.....
.....Christian Name
Nationality.....Status M S W.....Dependants {Adult..... Children.....
Address.....Age.....Height.....
Employed.....Weight.....
Married where.....Date.....Wife's Name.....
Names of Children {.....Date of Birth..... For more space use back of card.
..... " " " .....
Other Dependants.....Relationship.....Age.....

Particulars of Transfer.....
.....
.....

Alternative Classification.....
Completed by.....Date.....

3

CLASSIFICATION REGISTER CARD

.....Classification Code.....Serial N°.....
Office.....Name
Alternative Classification.....

Status {M..... s.....Dependants {Adults..... Children.....
w.....
Age.....
Weight.....
Height.....
Colour of eyes.....

Other Dependants.....Nationality.....

Date Book Issued.....
Employed by.....
.....
Completed by.....Date.....

Particulars of Transfer.....
.....
.....
.....

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INSURANCE BOOK

Front Page

UNEMPLOYMENT INSURANCE BOOK

Local Office.....Serial N°.....
1938.....Classification.....
Contributor's Surname.....
Christian Names.....
Age.....Height.....Weight.....Colour of Eyes.....
Date of issue of this book.....Date of Surrender.....

On Exchange	First Issue

Total contributions.....

This Insurance Book is for the year 1938 only and must not be used after 31st December 1938.

INSURANCE BOOK FOR MEN (21 Years and over)

If Married or Widower.....Single.....

Name of Dependant	Age	Relationship	State if Adult or Child

Contributions	By Employer	By Employee	Total
Weekly	25 cents	25 cents	50 cents

This Book remains with the Employer whilst the man is employed.
Contributer must see that upon completion of work, the Book is properly stamped for each week worked and that it is his own.

Back Page

INSTRUCTIONS

1 Employer must return Book stamped to date etc.
2 Book must be produced by contributer when making application for benefit.
3 Book is property of Government, if lost return to nearest Local Office.
4 No allowance can be made for value of stamps if book is lost or mislaid.
5 Instructions to Employers.
  A.
  B.
  C.
6 Instructions to Contributers.
  A.
  B.
  C.
  D.
  E.
7 Exchange of Books.
8 Penalties.

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INSURANCE BOOK

Inside Pages

CANCEL STAMP AFTER AFFIXING

INSURANCE STAMPS ONLY CAN BE USED IN THIS BOOK

Week Commencing 2nd Jan. 1	Week Commencing 9th Jan. 2	Week Commencing 16th Jan. 3	Week Commencing 23rd Jan. 4	Week Commencing 30th Jan. 5
6	7	8	9	10
11	12	13	14	15
16	17	18	19	20
21	22	23	24	25
26	27	28	29	30
31	32	33	34	35
36	37	38	39	40
41	42	43	44	45
46	47	48	49	50
51	52			

Book shows the Total contributions.....

STAMP AFFIXED AT END OF WEEK BEFORE PAYMENT OF WAGES

RECORD OF DEPOSITING OF BOOK

FOR OFFICIAL USE ONLY

Date deposited	Date removed	Time Held

This Book must be exchanged at your Local Employment Office for a new Book during first week in January

Signature of Contributor.....

Address.....

*Address on 1st January 1939.....

Date issued.....

*When surrendering Book at end of year if address changed complete this line.

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LEDGER ACCOUNT

Name..... Date of first payment..... Contributor's Serial N°.....
Address..... Age..... Local Office.....
Classification.....

Married..... Single..... Widower..... Amount of Contribution..... Scale of Payment.....
Dependant Children..... Other Dependants..... Transfers..... Contributor.....
Adult.....
Verified by..... Checked by..... Children.....
Total.....

CONTRIBUTIONS				EXPENDITURES					
1938 Month	Weekly Period	Amount paid in	Remarks	1938 Date	Scale	N° of Payments	Amount Paid	Claim N°	Remarks

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C150997

6

REQUEST FOR BENEFIT

Front

Surname..... Serial N°..... Classification.....
Christian Names..... Office.....

Claim N°.....

TO BE FILLED IN BY APPLICANT

I hereby apply for Unemployment Benefit now being unemployed, my age last Birthday was..... years.
My description is as follows:–

Height..... Weight..... Colour of Eyes..... { Married / Single / Widower } ..... with..... Dependants

Adult..... Children.....
I ceased work on..... my employers name was.....

Date of Application..... .....
Signature of Applicant

Back

N°. of contributions in Book..... Date Issued.....
Date Deposited.....
Periods of Unemployment shown by Book.....
Verified by..... Checked by.....
Dependants, N°. of..... Adults.....
Children..... Verified by.....
Dependancy Claim approved by.....
Amount of Weekly Benefit..... Daily.....
Total Benefits accruing.....
N°. of previous Claims.....
Date Claim Expired.....
Entered in Ledger.....

Voucher N°..... .....
Authority

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C150998

CLAIM AND RECEIPT SLIP

Claim ..... N° .....
Name of Claimant .....
Office ..... Classification .....
Serial N° .....
Status M. ..... S. ..... W. ..... N° of Dependants ..... Adult ..... Children .....
Total N° of Contributions ..... Scale of Payment .....
Balance of Contributions .....
Authorised by ..... Checked by .....

UNEMPLOYMENT INSURANCE

Days Due ..... Rate .....
Total of this Payment .....
I declare that for each day the Unemployed Register bears my signature or is marked I have been unemployed.

I acknowledge receipt of
being the amount due me for week ending .....

Sign here .....

Date Paid .....

UNEMPLOYED REGISTER

Week ending .....

NOTICE:- Each time you sign this you are declaring that on the days marked below you were
1. Unemployed.
2. Capable and available for work.
3. Not in receipt of any disablement benefit.

MONDAY
TUESDAY
WEDNESDAY
THURSDAY
FRIDAY
SATURDAY

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8

TRANSFER FORM

Office ..... Classification .....
Serial No. .....
Claim No. .....

TRANSFER

Name of Contributor .....
To the Manager ..... Local Office
The above named desires transfer of his records from this office to yours as of the ..... day of ..... His Book shows ..... contributions from the ..... day of ..... to the ..... day of ..... He has received ..... days benefits on behalf of himself / herself and ..... adult ..... children dependants at the rate of ..... per day
Balance available .....
Documents herewith :–

1 Application Card duly completed
2 Application Register Card
3 Classification Register Card
4 Applications for Benefit
5 Claim Slips

A transfer card has been filed in this office.

.....
Manager

Date .....

RETAINED COPY

Office ..... Classification .....
Serial No. .....
Claim No. .....

TRANSFER

Name of Contributor .....
Date Book Issued .....
Date Transfer Effective .....
Total No. Contributions .....
Days of Benefit received ..... Claim Nos .....
Balance available .....
Rate of Payment .....
No. of Dependants .....
Adult ..... Children .....
Documents transferred :–

1 Application Card duly completed.
2 Application Register Card.
3 Classification Register Card.
4 Applications for Benefit
5 Claim Slips

.....

.....
Authorized

Transferred .....
Date .....

C150999

Coll - Unemployment Insurance
C151000

The Policy of the Liberal Party re: Unemployment Insurance

In 1919 the Liberal Party platform stated:

> "So far as is practicable, to support social legislation designed to conserve human life, health, and temperance, to relieve distress during periods of unemployment, sickness and old age."

The Liberal Government took the first step in the direction of implementing this platform by establishing a system of Old Age Pensions.

Unemployment Insurance was not established during the years 1919-1930 because:

(1) Unemployment was not a major problem

(2) The provincial governments would not consent to co-operate in establishing an insurance system. Unemployment Insurance was discussed at a Dominion-Provincial Conference, November, 1927. The Precis of Discussion, p.31 states:

> "The question of unemployment relief was but briefly dealt with, and with the possible exception of Manitoba no speaker urged federal aid in this direction. Several of the representatives in fact, were of the opinion that unemployment relief on any fixed basis was simply an encouragement to unemployment."

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[redacted]

There was during these years an unwillingness on the part of the provinces to co-operate in establishing an unemployment insurance system, and public opinion would not sanction the constitutional changes necessary to give the Federal Government the power to deal with the problem independently.

Policy since 1930

It has become evident that unemployment is an important national problem. The Liberal Party has advocated:

(1) The establishment of a national system of unemployment insurance.

(2) The amendment of the British North America Act in such a way as to give the Federal Government the power to deal with this problem.

On April 9th, 1934, the Prime Minister (Present) summed up the policy of the Liberal Party in a statement in the House of Commons (Revised Hansard, p. 1983):

> "I urged at the very first session that these grants in aid to the provinces should be stopped pending the calling of a conference between the dominion and provincial governments to see whether it was not possible to have some arrangement made whereby the dominion could

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assume a large number of obligations for relief in its different aspects--social insurance in its various aspects--taking them over as a national obligation."

The Liberal Party has sought and has found nation-wide agreement on both the social and the constitutional aspects of the question.

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C151003

Unemployment Insurance

(Massey Hall, Toronto, Sept. 20, 1934,
"Toronto Star", Sept. 21, 1934)

Mr. King recalled the introduction of the old age pension scheme by the Liberal government so it might be a means of ensuring elderly people a happier old age. Sir Richard Cartwright, a Liberal, introduced the Annuities Act, to help people prepare for old age.

"I can't see why people who avail themselves of these annuities cannot use them to meet any risks. Why can't we make them available for unemployment, for sickness, for accident? It may take time but it can be worked out."

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Coll - Unemployment Insurance

[redacted]

C151004

Unemployment Insurance - Memo for

Mr. Mackenzie King's Speech, Massey Hall, Toronto, Sept. 20, 1934

("Toronto Globe," Sept. 21, 1934)

Right Hon. Mackenzie King at Massey Hall last night enunciated a brand-new industrial "square-deal" policy - a policy in which extensive social insurance would wipe out the "fears" which, he declared, beset the industrial worker on every hand today. He linked up proposals of State-aided industrial insurance - insurance against sickness, injury, unemployment and the idleness enforced by mechanical and scientific invention - with his oft-expounded philosophy of the equal rights of labour, management and the community to control industry along with capital.

.....

He listed labor's fears, haunting fears of "sweating", unemployment; "of tariffs which have thrown thousands of men out of employment"; industrial crisis, periods of depression, new inventions, fears of accidents and industry, and fear of sickness - notably hundreds of thousands of cases of tuberculosis attributable to industry.

"I am here to say tonight," he said, "the business of Liberalism is to see that these fears are ended. I am here to say, if we all work together to see what we can do, we will be able to end them."

.....

The State, he proceeded, could bring about a form of insurance for all these things. "I believe," he said, "that where voluntary effort, aided by the action of the State in different directions, encouraged by the State as much as possible, is not sufficient to remove these forces of industry, then it becomes a part of the business of the State to secure by means of social insurance in one form or another the workers of industry against fear. And so I believe in the different forms of insurance. They cannot be worked out at once, but we already have made a beginning with one of them". In regard to Dominion annuities, he could not see whatthat class of income insurance could not be broadened to take in emergencies such as illness, unemployment, accident or disease.

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Coll- [redacted] Insurance
C151005

Statement made by Rt. Hon. W. L. Mackenzie King
in favour of
National Unemployment Insurance

General Election Campaign
1935

Port Arthur, Ont., October 3rd:

"Unemployment insurance has been and will continue to be one of the basic policies of the Liberal party," said Mr. King, adding Mr. Bennett got his idea of unemployment insurance from the Liberal programme.

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Coll - Unemployment Insurance

[redacted]

C151006

Re Unemployment Insurance

and Action of Liberal Government Prior to 1930

Mr. King:

The final report of the Committee in 1928 (copy attached) which was adopted by the House, accepted the principle of unemployment insurance. It recommended that the matter be referred to the provinces to see which of them would consider adopting legislation.

The final report of the Committee in 1929 (copy attached) which was adopted by the House, indicated that the provinces were not prepared to take action, and recommended that the federal government, in its own arena, make a survey of the field of public health, provide for securing data on unemployment at the next census, and arrange for discussion at the next Dominion-Provincial Conference of the whole question of unemployment insurance. It stated, as well, that, according to the federal Department of Justice, jurisdiction in the matter of unemployment insurance was provincial.

In the interview given the delegation on Unemployment relief, Ottawa, Feb. 26, 1930, you intimated that thegovernment felt unemployment insurance was the only constructive method

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C151007

of dealing with the problem and hoped to work out soon a plan of insurance. (Press Report attached).

In the supplementary estimates of 1930, (papers attached), provision was made for a conference of Dominion, Provincial and Municipal governments, transportation companies, industrial and labour associations, which in your words was to be "free to discuss any and all aspects of the problem of employment and unemployment". This certainly gave ample scope for the discussion of unemployment insurance.

E. A. P.

Jan. 31'

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FILE : COLLATERAL ON UNEMPLOYMENT INSURANCE

Jan/35

C151008

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and Action of Liberal Government Prior to 1930

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C151009

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E. A. P.

FILE : COLLATERAL on UNEMPLOYMENT INSURANCE

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Coll- Unemployment Insurance

[redacted]

C151010

general folder.

Mr. Bennett.

Extract from Prime Minister's Radio Address,
No. 2, January 4, 1935:

We need to meet

"Now that we have achieved some measure of control over economic conditions and can operate without fear of imminent disaster, we are going to do away, as quickly as possible, with emergency relief measures and put in a permanent system of sound and scientific insurance against unemployment."

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Coll - Unemployment Insurance [redacted]

C151011

Re Government Measure on Social Insurance

Jan. 17, 1935 -

Mentioned in Speech from Throne:

> "Better provision will be made for the security of the worker during unemployment, in sickness, and in old age."

Prime Minister gave notice of intention to introduce resolution:

-That it is expedient to introduce a Bill to establish an Employment and Social Insurance Commission; to provide for a National Employment Service; for Insurance against unemployment; for aid to unemployed persons, and for other forms of Social Insurance and Security, and for purposes related thereto; and to provide for such contributions as may be necessary to carry into effect the proposed legislation.

(Votes and Proceedings, Jan. 17, 1935)

Jan. 21, 1935 -

Prime Minister moved that House go into Committee at next sitting to consider resolution.

Mr. Mackenzie King in debate on address offered co-operation in passage of reform legislation by:

1. willingness to terminate debate on address after leaders had spoken;
2. Postpone discussion on private members resolutions;
3. Allow supply to stand over until these measures considered, and affect an agreement on it.

Jan. 22, 1935 -

Debate on address continued but no Liberals participated.

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Jan. 23, 1935 -

Mr. King asked Prime Minister if he had considered suggestions made January 21. Prime Minister replied he had no intention of dispensing with private members days.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): As the order for "Motions" is called may I avail myself of this moment to ask the Prime Minister if he has considered favourably the suggestion that I made the other evening that government orders be given precedence over all other orders and especially those relating to the motions of private members, so that this house could have before it at as early a moment as possible those measures of the government which relate to social and industrial reform.

Right Hon. R. B. BENNETT (Prime Minister): I tried to make quite clear to the right hon. gentleman that I had no intention of depriving any members of this house of their rights, and further, in answer to a question which the right hon. gentleman asked yesterday, I tried to make it abundantly clear that until the report of the price spreads commission had been made it would be impossible to conclude the matters that we had in hand with respect to legislation.

Mr. MACKENZIE KING: May I say, Mr. Speaker, that as far as the price spreads investigation is concerned I am not referring to it at the moment, but to the legislation on social insurance of which notice has already been given. As for depriving private members of their day I realize that any motion to give government orders precedence must be by unanimous consent. I believe if it were understood that private members' motions were simply being postponed in order to let the government proceed with its own reform measures, such a motion would receive unanimous consent; at least I can speak for the official opposition when I say that we would be unanimous in our acceptance of such a motion.

Mr. BENNETT: We are not unfamiliar with tactics such as these, and we have no intention, Mr. Speaker, of departing from the rules of this house.

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[redacted]

Day taken up discussing proposed resolution of Mr. Dickie for national flag. 14 Conservatives, 2 Liberals, 1 C.C.F. spoke.

At 10 to 6 Mr. Guthrie endeavoured to call it 6 o'clock. Mr. King insisted next order involving a measure of social reform be gone on with. - (Mr. Church's resolution re housing).

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C151014

Thursday, Jan. 24:

At conclusion of day, Mr. King asked Prime Minister, whether he would proceed with measure on Friday. Prime Minister stated he would not proceed with it until Monday.

(See Hansard, p. 206):

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: What business will be taken up to-morrow?

Mr. BENNETT: We will take the business on the order paper, except the order standing in my name which I do not propose to proceed with to-morrow. If government business is disposed of we will give the opportunity to private members which was taken from them on Monday to proceed with their notices of motion.

Mr. MACKENZIE KING: But with regard to the order in the name of the Prime Minister, the one he mentioned was of such great importance that he had thought it necessary last week to give notice of proceeding with it immediately, what is to be done? It is the one to which we attach the most importance. Could not my right hon. friend arrange to proceed with it to-morrow?

Mr. BENNETT: Which one is that?

Mr. MACKENZIE KING: The one relating to the establishment of an employment and social insurance commission.

Mr. BENNETT: I do not propose to proceed with it to-morrow.

Mr. MACKENZIE KING: But that is the most important of any.

Mr. BENNETT: It may be, but I do not propose to proceed with it until Monday.

Mr. MACKENZIE KING: May I ask my right hon. friend if the bill related to this resolution is drafted?

Mr. BENNETT: The bill has been printed in complete form for over a month; it has been under consideration by the cabinet on more than one occasion and it will be considered in detail on Saturday. Some amendments have been made consequent upon an actuarial statement by Mr. Wolfenden and others. Do not run away with the idea that this legislation has not been prepared. It was prepared in consequence of information received in England something over a year ago, and we have gone on continuously improving it in the light of the knowledge we have received. So I am sorry to say the right hon. gentleman cannot make any capital out of that. It is sad, isn't it?

Mr. MACKENZIE KING: What puzzles me was the haste of my right hon. friend to give notice of his intention to proceed with the resolution introduced last Monday, and yet his not being able to proceed to-morrow.

Mr. BENNETT: I wanted to have my resolution just where it is now so that I could proceed with the bill. I took steps necessary to do so, and I propose to continue to do so.

Mr. GRAY: That old order has not changed.

Mr. BENNETT: No, and it won't, either; don't make any mistake about that. I am still in control of this house; get that in your mind.

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

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C151015

Friday, Jan. 25:

Government proceeded with government orders, but not with social insurance measure; private members resolutions were even dealt with. At 6, on motion of the Prime Minister the House adjourned.

(See attached debate).

Monday, Jan. 28:

The Prime Minister did not proceed with measure. In order not to delay discussion of social reform, Mr. Mackenzie King, when it was called, asked that his resolution on titles should stand.

Mr. Veniot, for same reason, asked that his resolution on deep sea fisheries should stand.

In order to prevent further delay of consideration of reform programme by taking up supply Mr. Mackenzie King moved the following amendment on going into supply:

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

"This house is of the opinion that the immediate consideration of present conditions of unemployment and the introduction of measures of social and industrial reform should not be delayed or postponed by a consideration of supply in advance of the consideration of government policies with respect to unemployment and the introduction of measures with respect to social and industrial reform."

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C151016

January 29, 1935:

Resolution introduced.

January 30:

On question of privilege, Mr. King re copies of bills not in hands of members, but made accessible to press.

Jan. 31st:

Mr. King re copies of bills not in hands of members, &c.

Question by Mr. Lapointe re previous conventions adopted at any International Labour Conference concerning unemployment insurance and if copies could be tabled before second reading of Bill.

February 5:

Following amendment moved by Mr. King on going into Supply:

> That all the words after the word "that" in the motion be struck out, and the following substituted therefor:
>
> "That this House is of the opinion that when it is moved into committee of supply priority should be given consideration of the estimates of the Department of Labour in order that opportunity may be afforded for an immediate discussion and consideration of conditions of unemployment and distress at present existing in all parts of Canada, and of the measures required to cope therewith".

Amendment ruled out of order by Mr. Speaker.

February 12:

Mr. Lapointe re previous conventions concerning unemployment insurance.

Motion for second reading of Bill debated.

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C151017

February 14, 1935:

Actuarial reports of Messrs. Watson and Wolfenden tabled.

Motion for second reading debated.

February 15:

Motion passed re Precedence for Government Business on and after Wednesday, Feb. 27th.

February 18:

Second reading of Bill No. 8; considered in Committee of the Whole.

February 19:

Considered in Committee of the Whole.

February 21:

Considered in Committee of the Whole.

February 25:

Question by Mr. King re legislation respecting Eight Hour Day and the Weekly Day of Rest before completing discussion on unemployment insurance bill.

Following amendment moved by Hon. Ian Mackenzie on going into Supply:

> That all the words after the word "that" in the motion be struck out, and the following substituted therefor:
>
> "This House regrets that, notwithstanding the specific promises made prior to the election of 1930, and many times since reiterated, and despite the fact that extraordinary powers to deal with unemployment have been repeatedly secured from parliament, the present administration, after nearly five years of office, has not yet submitted to parliament any definite or effective policy to deal with widespread actual unemployment or distress which continues to be Canada's most urgent national problem".

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C151018

March 7:

Again considered in Committee of the Whole;

Mr. King re deletion of words "and terms of imprisonment not exceeding three months" from Section 38, paragraph 1.

March 8:

Again considered in Committee of the Whole.

March 12:

Motion for third reading;

Mr. Guthrie moved in amendment thereto,- That the Bill be not now read the third time, but that it be referred back to the Committee of the Whole with instructions that they have power to amend Section 33 -(Civil proceedings by employee against employer for neglect to comply with act)- by inserting following subsection immediately after subsection (1):-

"(2) Proceedings under subsection (1) of this section may at the instance of an employed person be instituted by the commission on behalf of such employed persons."

Amendment agreed to.

Again considered in Committee of the Whole; reported further amended; considered as amended;

Mr. Woodsworth, seconded by Mr. Mitchell, moved amendment to Section 33; amendment negatived on division - Yeas 65, Nays 86;

Mr. Garland (Bow River), seconded by Mr. MacInnis, moved amendment to Section 17; amendment ruled out of order.

Motion for third reading agreed to on division - Yeas 123; Nays 3;

Third reading; Mr. King re press report of expected division on constitutional angle.

Bill passed.

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Notes by Mr. King prepared for 2nd reading of Unemployment Insurance Bill, Feb. 8, 1935

C151019

Social Insurance - Unemployment Insurance

Chronology

August 1919 - Policy adopted at Liberal Convention.

Convention re Unemployment Insurance - Geneva 1920;

Statement of Doherty re (Labour Dept. considering).

December 1921 - Liberal Party returned to power.

1922 - Consideration given Convention of International Labour Conference.

1927 - Dominion-Provincial Conference.

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C151020

Questions to be considered -

1. Finance;

2. Jurisdiction - guided by opinions of law officers;

3. Agreement with provinces.

(1) Unemployment Relief -

depressions;

(2) Dominion's First Obligation -

Re-instatement of War Veterans in civil life -

Soldiers Civil Re-establishment;

Soldiers Pensions;

War Veterans Unemployed -

Department of Pensions and Health -

(Federal obligation).

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C151021

History of -

Old Age Pensions Bill introduced;

- not doing everything at once.

Next question to be considered -

the Parliaments of the day - majority of 1;

no majority;

after 1926 - majority;

Senate - always Conservative;

Senate would have thrown out unemployment insurance on issue of jurisdiction.

Dominion-Provincial Conference 1927.

Appointment of Standing Committee on Industrial and International Relations.

References to Committee -

and reports of.

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C151022

[redacted]

Steps to be Solved -

Jurisdiction;

Amendment B.N.A. ACt;

Introduction of Legislation -

1930 - 1935 = 6 sessions;

- no need to wait for improved conditions to settle question of jurisdiction and to get B. N. A. Act amended.

Government Urged to appoint Commission re Unemployment and National System of Unemployment Insurance -

See Hansards re;

See Liberal programme.

Government Declined action -

on score of no jurisdiction.

right up to time of resignation of Minister of Trade & Commerce

Sinister significance of P.M.'s statement to Minister;

" " " " statements on jurisdiction

(See oblique attack, &c);

" " " statements by Minister of Justice.

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C151023

Building on sand instead of rock -

danger of making confusion worse confounded.

Principle of Bill -

accept;

because always for - Statement from "Industry and Humanity"

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Unemployment Insurance
Social Security [redacted]

February 3, 1936.

Memorandum for Mr. King: C151024

Re Resignation of Honourable G. S. Harrington.

1. Appointment

By P. C. 2106, July 20, 1935, Colonel Harrington was appointed for a period of ten years as Chief Commissioner of The Employment and Social Insurance Commission, at a salary of $10,000 per year.

(Copy of P. C. 2106 attached.);

2. November 1st, 1935, Col. Harrington wrote to the Prime Minister stating the situation with respect to The Employment and Social Insurance Commission and adding that he "would welcome a statement at your convenience as to the future of this Commission....." Mr. King acknowledged this communication by telephone.

(Letter attached);

3. Employment and Social Insurance Act, under which the Employment and Social Insurance Commission was set up, was referred to the Supreme Court by P. C. 3453, November 5, 1935.

(Copy of P. C. 3453 attached);

4. January 21, 1936, Col. Harrington wrote to the Prime Minister expressing the "feeling that the situation lacks evidence of that cordial co-operation between the Government and the Chief Commissioner without which it would be difficult if

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not impossible for anyone successfully to administer such delicate business.... I have decided therefore to terminate my connection with the Employment and Social Insurance Commission. To leave the field free for such action as the Government may wish to take appears the course best suited to the circumstances that have developed."

(Letter attached);

5. January 23, Col. Harrington left Ottawa for Nova Scotia.

(Mr. Tom Moore told Mr. Henry on January 27 that he did not expect Col. Harrington to return.)

6. Ottawa Citizen of January 27 carried a C. P. despatch, dated at Halifax the previous day "Honourable G. Harrington intends to retire as Commissioner."

(Clipping attached);

7. "'Entirely on his own initiative', was the way Mr. King described the resignation of Honourable George S. Harrington...."(Ottawa Citizen, Jan. 28, 1936)

(Clipping attached);

8. Montreal Gazette, January 29th carried a C. P. despatch dated at Halifax, January 28th "Harrington gives cause of quitting."

(Clipping attached)

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[redacted]

9. On February 1st, 1936, (P.C. 244) Council accepted, on the recommendation of the Prime Minister, the resignation of Colonel Harrington as Chief Commissioner of the Employment and Social Insurance Commission, as of January 21st.

(P. C. 244 attached)

R.L. Fredenburgh

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P. C. 2106

C151027

AT THE GOVERNMENT HOUSE AT OTTAWA

Saturday the 20th day of July, 1935.

PRESENT:

The Deputy of
HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

The Deputy of His Excellency the Governor General in Council, on the recommendation of the Right Honourable Richard Bedford Bennett, the Prime Minister, and in the exercise of the authority conferred by the Employment and Social Insurance Act, Chapter 38 of the Statutes of Canada, 1935, is hereby pleased to appoint Colonel Gordon Sidney Harrington, LL.B., of the City of Halifax, in the Province of Nova Scotia, on of His Majesty's Counsel learned in the law, to be Chief Commissioner of the Employment and Social Insurance Commission, at a salary of $10,000 per annum, and Tom Moore, Esquire, of the City of Ottawa, in the Province of Ontario, President of the Trades and Labour Congress of Canada, and Nazaire Romeo Beaudet, Esquire, of the City of Montreal, in the Province of Quebec, Civil Engineer and Insurance Manager, to be Members of the said Commission, at salaries of $9,000 per annum; the said appointments to be effective for a period of ten years from the date hereof.

(Signed) E. J. Lemaire,
Clerk of the Privy Council.

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C151028

P. C. 3453

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 5th November, 1935.

The Committee of the Privy Council have had before them a report, dated 31st October, 1935, from the Minister of Justice, referring to The Employment and Social Insurance Act, Chapter 38 of the Statutes of Canada, 1935, which was passed for the purposes set out in the recitals contained in the preamble of the said Act.

The Minister observes that doubts exist or are entertained as to whether the Parliament of Canada had legislative jurisdiction to enact the said Act, either in whole or in part, and that it is expedient such question should be referred to the Supreme Court of Canada for judicial determination.

The Committee, accordingly, on the recommendation of the Minister of Justice, advise that the following question be referred to the Supreme Court of Canada, for hearing and consideration, pursuant to section 55 of the Supreme Court Act,-

> Is the Employment and Social Insurance Act, or any of the provisions thereof and in what particular or particulars or to what extent, ultra vires of the Parliament of Canada?

(Signed) E. J. Lemaire,

Clerk of the Privy Council.

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P.C.244.

COPY

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 1st February, 1936.

The Committee of the Privy Council have had before them a report, dated 29th January, 1936, from the Right Honourable W. L. Mackenzie King, Prime Minister and President of the Privy Council, stating that in a communication, dated 21st January, 1936, which was received in his office on the day following, Col. G. S. Harrington, K.C., Chief Commissioner of the Employment and Social Insurance Commission, informed him in writing that he had decided to terminate his connection with the Employment and Social Insurance Commission; and

That on the 23rd January, 1936, Colonel Harrington left Ottawa, and at Halifax, on the 26th January, 1936, gave an interview to the press to the effect that he had resigned the Chairmanship of the said Commission.

The Committee, therefore, on the recommendation of the Prime Minister and President of the Privy Council, advise that the resignation of Col. Harrington as Chief Commissioner of the Employment and Social Insurance Commission be accepted as of January 21st, 1936, and that his appointment, as made by Order in Council of 20th July, 1935 - P.C. 2106 - be hereby cancelled.

(Signed) E. J. Lemaire
Clerk of the Privy Council.

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MEMORANDUM FOR MR. KING

Tom Moore says that Mr. Harrington left on Thursday last, January 23rd, in the afternoon, and that he does not expect him to return.

H.H.

January 27, 1936.

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[redacted]

COPY

THE EMPLOYMENT AND SOCIAL INSURANCE COMMISSION

Col. O.S. Harrington, K.C.,
Chief Commissioner

January 21st, 1936

Dear Mr. Prime Minister:

You will remember my letter of last November which set out matters affecting the Employment and Social Insurance Commission to that date and enquiring as to the Commission's future. It was your wish then that as you were leaving the City the affairs of this Commission should stand until after your return when you would discuss them with me.

It was my desire in my former letter to give you a summary of the situation and to make clear that not only would the creation of an organization necessary to carry out the provisions of the Employment and Social Insurance Act be an extensive and intricate piece of work but the administration of the scheme afterwards would be at all times exacting.

Since the Government assumed office in October last no member of it has communicated with this Commission concerning the matters confided to us by the Statute. The Government's course of action and statements relative to this Commission have been taken and made without any reference to or enquiry of us. When Departments of Government were requested to draft estimates of expenditure for the coming fiscal year this Commission was not notified to do so. The solicitors preparing the case for the validity of our Act did so without consultation or contact with us. In short, there has been a complete absence of intercourse between the Government and this Commission while at the same time Government statements given the press have intimated that some of the matters confided by Statute to this Commission are to be administered by a new Commission yet to be set up.

A reference to determine the legal status of the present Act must be subservient to the general questions of whether the Government desires to institute National Labor Exchanges and a National System of Unemployment Insurance and, if so, whether it will administer

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these provisions by an independent Commission or Departmentally. The Minister of Justice is reported recently to have said in effect that the Government desires either to be satisfied that the present Act is valid or to ascertain the constitutional amendments necessary to institute a valid system. If that is the Government's attitude then much valuable time has passed unused. A reference to determine the validity of the levy of contributions will not be final until the Judicial Committee of the Privy Council has passed upon it. In any event it would be impossible to impose such levies for many months. If on the other hand it is intended ultimately to proceed with the scheme all these many months are required for preparatory work necessary before any system can be brought into effect with an expectation of working satisfactorily.

The enumeration of some of these preparatory matters will illustrate the point: The type and location throughout the Dominion of regional, district, branch and sub-offices and arrangements for agencies; the procedure to be followed in these offices with the drafting of the necessary forms and returns; details concerning the collection of contributions and the disbursements of benefits; the methods for the collection, maintenance and transference of particulars of information concerning some two million individuals; drafting essential regulations governing employers and employees; and the consideration of a myriad of similar details necessary to transact such an intricate business before it can be expected to function with any degree of satisfaction. All of this requires some staff and organization and since this Commission is dependent upon the Civil Service Commission for the appointment of all our officers, clerks and employees, and, has so far received none, our business has been practically at a standstill for some three months.

It has been possible for the two Commissioners appointed on behalf of working people and employers, respectively, to occupy their time with matters of special concern to these two groups, but for the Chief Commissioner not charged with the duty of representing any particular interest, and therefore without any special business to administer there has been a period of over two months of almost complete idleness.

With this background you will appreciate my feeling that the situation lacks evidence of that cordial co-operation between

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the Government and the Chief Commissioner without which it would be difficult if not impossible for anyone successfully to administer such a delicate business. Appreciating the difficulties confronting a new government and realizing the importance of this measure to so many people in Canada it was my desire to pursue a course that would cause no embarrassment and would not jeopardize the future of the plan. Reluctantly it has been borne in upon me, however, that neither pressure of business nor accident explain the total failure of communication for a period of three months, and that my association with the Commission may not be helpful to the cause of social improvement provided in this measure. I have decided therefore to terminate my connection with the Employment and Social Insurance Commission. To leave the field free for such action as the Government may wish to take appears the course best suited to the circumstances that have developed.

You may accept my assurance that I have no feeling in this matter but quite the reverse and shall be glad, if you desire me, to assist my successor as far as lies within my power.

Yours faithfully,

Sgd. C.S. Harrington.

The Right Hon. W.L. MacKenzie King, P.C.,
Prime Minister of Canada,
Ottawa, Canada.

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COPY

[redacted]

THE EMPLOYMENT AND SOCIAL INSURANCE COMMISSION

Col. C.S. Harrington, K.C.,
Chief Commissioner

Ottawa, 1 November 1935

Dear Mr. Prime Minister:

The Employment and Social Insurance Commission has several duties confided to it, amongst them and of primary importance being the organization of an employment service throughout the Dominion and the institution of a National system of unemployment insurance.

It has been estimated that the insurance scheme alone will embrace between 1,500,000 and 2,000,000 workers in the Dominion located everywhere from the Atlantic to the Pacific. These workers and their employers contribute weekly to the Insurance Fund and particulars of them and the types of employment must be recorded currently. It has been estimated that this joint fund towards which the Government contributes 20% will amount to over $40,000,000 a year and approximately this total will be disbursed annually by this Commission in small weekly benefits to an average of 150,000 to 200,000 unemployed.

This subject naturally divides itself into two phases, namely, one of organization and the other of administration.

It will easily be seen that the organization necessary to administer these provisions must be widespread and intricate. It must provide facilities for recording particulars of the workers covered by the Act and allow them access to some office or agency to register their unemployment in order to obtain positions or to establish their claims to benefits.

The Employment and Social Insurance Act requires the whole permanent staff under this Commission, not merely the officers and clerks, but also all other employees, to be selected in pursuance of the Civil Service Act.

While the work of organization may be delicate it is no more so than the administration of the scheme when once it commences

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to function. Questions will continuously arise as to the validity of the claims made, anomalies affecting somewhat similar classes but in different employments and procedure for running the offices methodically and with the highest degree of precision. It is unnecessary to mention that two million clients contributing towards the fund are potentially two million critics of any inefficiency or shortcomings in the staff or administration.

Two of the Commissioners are selected as representing what may be termed special interests affected by the Act, namely, workers and employers. The Chief Commissioner on the other hand represents no particular interests but is presumed to be able to hold an even balance and give a fair and efficient administration.

The Act contemplates continuous and sympathetic access by the Chief Commissioner to the Government. Regulations fixing classes to be included or excluded, regulations relative to procedure, regulations relative to the establishment of claims, in short, all regulations require the approval of the Government and the necessity for them will arise very frequently. In addition there are a number of other points that will arise from time to time which it is the duty of the Commission to submit to the Government for approval. These measures are endangered by many pit-falls that can be avoided only by the exercise of great care and paine-taking administration. For many years organized labour and many other bodies have considered unemployment insurance an advanced social measure as tending to relieve workers from the fear of want due to temporary lay-offs. On the other hand it has, especially in its contributory form, what might be termed natural enemies, and its operation is at all times delicate.

This Commission was appointed on the 20th of July, held its first meeting on the 26th of July, and at once proceeded in collaboration with the organization branch of the Civil Service Commission to design an organization necessary to carry into effect the provisions of the Act. The plan of organization as finally agreed was approved by the Governor-in-Council in the month of August and it was decided to fill the eleven major posts in it. Ten of these were to be filled by advertisement and competition by the Civil Service Commission, the eleventh was to be filled by a transfer of the Director of Employment Service from the Department of Labour. The competitions for these positions closed on the 9th of September but no appointments have as yet been made. The Chairman of the Civil

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Service Commission, however, under date of October 30th, now advises that his Commission is in a position to make 5 of the appointments if it is the desire of the Employment and Social Insurance Commission and the policy of the Government that they should do so. In his letter, a copy of which is enclosed, the Chairman further states that his Commission hesitates to make appointments which might conceivably be abruptly terminated either by Government policy or by decision of the Courts and that before taking action in the matter he desires to receive any advice or comments which I might deem proper under the circumstances. It has been no part of my duty as Chief Commissioner to participate in or interfere in any way with the selection of the staff nor have I done so. Such staff as we have at present has been furnished us temporarily through the kindness of the Civil Service Commission.

Quarters have been engaged at the Jackson building and a floor there has undergone alterations to suit the requirements of the Commission.

This Commission reports to the President of the Privy Council and I trust this brief statement of our position may be of some value to you in the circumstances in which a new government is bound to find itself with many pressing problems from many different directions. At the moment, however, I find that delay in making appointments to the staff has brought the work of the Commission practically to a state of suspension and would therefore welcome a statement at your convenience as to the future of this Commission which will enable me to reply to the questions submitted by the Chairman of the Civil Service Commission.

Yours faithfully,

Sgd. G.S. Harrington.

Right Honourable W.L. MacKenzie King, C.M.G.,
Prime Minister of Canada,
Ottawa, Canada.

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COPY

CIVIL SERVICE COMMISSION OF CANADA.

Ottawa, October 30, 1935

Dear Colonel Harrington,

As you are aware, the Civil Service Commission has, for some time, been making a careful examination of the qualifications of the many candidates for the key positions on the staff of the Employment and Social Insurance Commission for which applications were invited. A competent Board of Examiners has been engaged for some weeks in examining into the statements of training and experience given by the applicants on their application forms, and has also orally examined a number of the most promising candidates. The report of the Board of Examiners is now before the Commission with reference to the positions of General Executive Assistant; Chief, Insurance Division; Chief Inspector; Secretary; and Chief, Services Division, and the Commission is in a position to make appointments thereto if it is the desire of your Commission and the policy of the Government that we do so.

We would, of course, hesitate to make appointments which might conceivably be abruptly terminated either by Government policy or by decision of the Courts, and before taking action in the matter we should be pleased to receive any advice or comments which you might deem proper under existing circumstances.

Yours faithfully,

Sgd. C.H. Bland,
Chairman.

Honourable G.S. Harrington,
Chief Commissioner,
Employment and Social Insurance Commission,
Ottawa, Ontario.

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PUBLICATION..... Ottawa Citizen ..... DATE January 27/36 .....

Hon. G. Harrington Intends to Retire As Commissioner

Was Appointed Head of Employment and Social Insurance Body by ex-Premier Bennett.

(Canadian Press.)

HALIFAX, Jan. 26. — Arriving in Halifax today from Ottawa, Hon. Gordon S. Harrington announced his intention of retiring as chief commissioner of Canada's Employment and Social Insurance Commission.

The chief commissioner, former premier of Nova Scotia, has been in office only six months. He declined to discuss the reason for his decision, saying he preferred any comment at this time to come from the Prime Minister, under whose department the commission functioned.

Described by Rt. Hon. R. B. Bennett, then prime minister, as the first federal body to be constitutionally empowered to deal with unemployment as a national problem, the commission was appointed July 20, 1935. Associated with Col. Harrington were Tom Moore, former president of the Trades and Labor Congress of Canada, and N. R. Beaudet, Montreal insurance broker.

The appointments, for 10 years, carried salaries of $10,000 for the chief commissioner and $9,000 for the other members.

NO CONFIRMATION

The Prime Minister could not be reached last night for confirmation of the projected retirement of Col. Gordon S. Harrington as chairman of the Employment and Social Insurance Commission. For some time this organization has been in a state of "suspended animation," awaiting the outcome of the reference to the Supreme Court which is determining whether the legislation governing the operations of that body is or is not ultra vires the Dominion Parliament.

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C151039

OFFICE OF THE PRIME MINISTER [redacted]

PUBLICATION Montreal Star DATE January 27/36

Harrington Likely to Re-Enter Politics

OTTAWA, Jan. 27—(Star Special by Staff Correspondent.) — Hon. Gordon S. Harrington's announcement of his intention to retire from the chairmanship of the Commission on Employment and Social Insurance was understood here today to be dictated by two reasons—the uncertainty as to the future of the organization, and Mr. Harrington's purpose to return to Nova Scotia provincial politics. He resigned the Conservative leadership there before his appointment to Ottawa, but had not yet retired from his seat in the Legislature.

The whole future of the social insurance project is involved in the case now being argued before the Supreme Court of Canada. The question is as to whether the statute on the subject was intra vires of the Federal Parliament. The commission was appointed and different regulations were drawn up, while arrangements were outlined for the large staff outside of Ottawa and here which would be required. Nothing definite can be done or authorized until the questions of legal doubt are cleared up and while Commissioners Moore and Beaudet are awaiting the outcome, Mr. Harrington has decided to go before long.

If the court upholds the act, the scheme can be proceeded with on the present lines. If it is not sustained, however, then one of two courses would be necessary, either to let the jurisdiction revert to the provinces or amend the constitution to give the Dominion unquestioned power.

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Duplicate

OFFICE OF THE PRIME MINISTER

[redacted]

PUBLICATION Ottawa Citizen DATE January 28/36

Need Legislative Authority to Set Up Organization

Appropriation Also Required to Cover Work Of Employment Commission Planned by Govt.

Legislative authority is required to set up the employment commission planned by the King government and an appropriation is needed to cover its work, Prime Minister W. L. Mackenzie King announced last night, so that the enabling act will be introduced very early in the session opening next week.

Pending introduction of the covering act, Mr. King said, no announcement will be made as to the personnel of the proposed commission. The cabinet felt, he added, that the members of Parliament should have the opportunity of discussing, very fully, the whole problem of unemployment in relation to the measure for the employment commission which he said the government has been considering very carefully for some time past.

On Own Initiative.

"Entirely on his own initiative," was the way Mr. King described the resignation of Hon. George S. Harrington, former Nova Scotia Conservative premier, from the chairmanship of the employment and social insurance commission. The Prime Minister said he had received a letter from Mr. Harrington intimating his decision to terminate his service with that commission. "Mr. Harrington left Ottawa last Thursday and he has not returned," Mr. King remarked.

"I take it he has himself terminated his connection with the commission by his letter and his departure." No appointment to the vacancy created by Mr. Harrington's resignation will be made, pending the result of the reference now before the Supreme Court of Canada covering social insurance, Mr. King said. The other two commissioners are Tom Moore and N. R. Beaudet of Montreal.

Asked about the government's intentions regarding the Radio Broadcasting Commission, Mr. King indicated that there will be some reference to the commission in the government's legislative program this session, but he said he could say nothing further about the matter at present.

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OFFICE OF THE PRIME MINISTER

C151041

Duplicate

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PUBLICATION Montreal Gazette DATE January 29, 1936

HARRINGTON GIVES CAUSE OF QUITTING

Issues Statement Telling of Letters to Premier Which Went Unanswered

(Mr King's notes copied)

Halifax, January 28.—(CP)—Col. Gordon S. Harrington, former Premier of Nova Scotia who in Halifax on Sunday announced he was resigning from the Employment and Social Insurance Commission, today issued the following statement:

"My attention has been drawn to a Canadian Press despatch from Ottawa which either misquotes the Prime Minister or calls for a statement from me. I formally resigned as Chief Commissioner of the Employment and Social Insurance Commission in a letter addressed to the Prime Minister, to whom I was required to report under the Act, on January 21. I waited in Ottawa three days for an acknowledgement to this communication and, receiving none, returned to Nova Scotia.

— day of King George's death

"On November 1, I wrote the Prime Minister pointing out that the work of the Commission had been brought to a virtual standstill by reason of the change of Government, and requesting a statement as to the Commission's future, in view of the fact that, whether or not the status of the existing Commission was in doubt, much preliminary work was required if the Government proposed to provide a system of unemployment insurance. I have yet to receive a reply to that letter. It was because the Prime Minister denied me the courtesy of a reply to my communications, and because I was left with absolutely nothing to do for a period of over three months, I reached the conclusion the Government felt my services were no longer useful."

— rang him up by phone & acceded to his request to take off a few days to go to Nova Scotia

At Ottawa last night Prime Minister King said:

"I received a letter from Col. Harrington stating that he had decided to terminate his association with the Commission. I endeavored to get in touch with him but found he had not been in his office since Thursday and had gone to Nova Scotia. I presume he has terminated his service."

not my fault but that of the preceding administration
The Commission re'd its powers from part! was rendered independent of the Government
Same as Civil Service Commission, The Marketing Com' & others

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C151042

PRIVY COUNCIL
CANADA

✓ Education
✓ Unemployment Policy
✓ Unemployment Insurance

P.C. 1054.

Council has directed that the attached copy of a letter from the Secretary, Long Branch Citizens Association, of Long Branch, Ont., be referred to the Right Honourable the Prime Minister, the Honourable the Minister of Labour, and the Honourable the Minister of Finance.

E. J. Lemaire,
Clerk of the Privy Council.

Ottawa, 1st May, 1936.

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P.C. 1054

C151043

PRIVY COUNCIL

CANADA

LONG BRANCH CITIZENS ASSOCIATION

Long Branch, Ontario.
P.O. Box 157,
April 28th, 1936.

The Honourable
The Secretary of the Dominion Government,
Parliament Buildings,
Ottawa, Ontario.

Dear Sir,-

At the last regular meeting of this Association the following Resolutions were duly passed, and as Secretary, I was instructed to forward same to Federal Government.

Moved by - Mr. Wain
Seconded by - Mr. Gullins

Resolved that - Recognising that the failure of the Provincial and Dominion Governments to provide adequately for the Unemployed and otherwise destitute people of Canada, and that the shirking of this responsibility and placing the same on the shoulders of the local Municipal authorities results in many cases in an increase of Municipal taxation and the Councils being confronted with an impossible situation.

Realizing also that increased local taxation means a possible further loss of homes by struggling small home owners and thus falling upon the shoulders of those least able to bear it.

This meeting urges upon both the Provincial and Dominion Governments to restore the cuts made in relief grants, and to without further delay, set up the scheme of National Unemployment Insurance, which has already passed in the Dominion House and received Royal Assent, - Carried -

Moved by Mr. Russell
Seconded by Mr. Wain

Resolved that this meeting of the Long Branch Citizens Association hereby strongly protest the serious reduction of expenditures for Educational purposes. We hold that the sacrifice of education of the children; to impair the reasonable exercise of their mental powers and to injure their working future, is a crime against the growing youth of the Country for which the Government will inevitable have to answer. - Carried -

Trusting that these Resolutions will be brought to the attention of the Government and praying that they will be given sympathetic consideration,

I beg to remain,

Very sincerely yours,
(Sgd.) J. Edward Ferguson
Secretary.

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C151044
Coll - Unemployment Insurance
f

The Sirois Commission on Unemployment Insurance

The Royal Commission on Dominion-Provincial Relations has recommended/the constitutional and social changes now being implemented by the Government.

The Report states:

> "We have recommended that provision for the employable unemployed should become the responsibility of the Dominion. It is almost ancillary to this recommendation that the Dominion should have power to enact a measure of unemployment insurance in order to reduce the burden to its general taxpayers."
>
> ".....there is probably a balance of advantage in favour of unemployment insurance and we may expect the Dominion to make some experiments in this field. Even if our main recommendation, that the care of employables who are unemployed should be a Dominion function, should not be implemented we recommend that the Dominion alone should have jurisdiction over unemployment insurance, for there are few provinces with sufficient diversification of industry to embark on such an enterprise with any confidence and it would be a great hindrance to the mobility of labour if men out of work were deterred from leaving a province in search of work because in so doing they would lose their insurance benefits."
>
> "It is not surprising, therefore, that it has been generally recognized that if unemployment insurance is to be successful in Canada it must be on a national basis. The National Employment Commission emphasized that "there are great, indeed decisive, advantages in a national, in contrast to a Provincial, system" of unemployment insurance. The Commission des Assurances Sociales de Quebec, as early as 1933, pointed out that,

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althought it is possible for member states in a federation to have schemes of their own, "nevertheless elementary prudence urges us to give a federal character to insurance against unemployment".

"In our public hearings representations from most provinces and from many public bodies supported the view that unemployment insurance should be within the jurisdiction of the Dominion Parliament. We have no hesitation in so recommending. We think, however, that the nature and extent of the federal power over unemployment insurance should be defined with care and accuracy to prevent its extension under the theory of ancillary powers."

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The Social Value of Unemployment Insurance

1. Unemployment Insurance prevents the deterioration of the standard of life and the morale of the worker during periods of unemployment, and it eases the burden upon the worker resulting from depression and/or industrial and economic changes.

2. It builds up a fund contributed to by the worker, the employer and the state which is capable of providing assistance during periods of unemployment and in this way eases the burden of relief charges which weigh upon the general tax-payer.

3. It limits the severity of economic depression by preventing the sudden and disastrous decline in purchasing power due to stoppages of wages, which in its turn contributes further to the dislocation of industry and unemployment.

4. It contributes to the worker's sense of security and in this way preserves social and political stability.

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UNEMPLOYMENT INSURANCE
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UNEMPLOYMENT INSURANCE

HISTORICAL SURVEY OF

FIRST CANVASSED SERIOUSLY IN 1919

1. Royal Commission appointed April 4th

Recommended immediate inquiry by expert boards (with view to early legislation) into state insurance against unemployment, sickness, invalidity and old age.

2. National Liberal Convention, August, 1919.

Resolution favouring unemployment insurance.

Essential phrase: "In so far as may be practicable, having regard for Canada's financial position, an adequate system of insurance against (1) unemployment, (2) sickness, (3) dependence in old age, and (4) other disability . . . should be instituted by the Federal Government in conjunction with the Government of the several provinces . . ."

Problem of constitutional jurisdiction recognized by Convention.

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3. National Industrial Conference, Sept. 1919

Mr. King participated actively in deliberations.

Adopted resolutions favouring unemployment insurance.

4. International Labour Conference in Washington, Oct.Nov. 1919.

Mr. King represented P.E.I., acted as adviser to Canadian Government delegation.

Unemployment insurance recommended.

GOVT. REPORTED STUDYING in 1921.

Mr. Doherty (Min. of Justice) on May 28:

Unemployment insurance being studied by Dept. of Labour.

ATTITUDE OF LIBERAL GOVT. (from 1921)

1. More urgent problems in early stages:

(a) Civil Re-establishment of War Veterans

(b) Pensions for War Veterans

(c) Relief of Unemployed Veterans

(d) General problem of relief in 1922 depression

(e) Alleviation of unprecedented public debt.

(f) Revival of trade and industry.

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2. Constitutional impediment and narrow majority hampered Govt.

Jurisdictional limitation noted by P.M. in Parlt. on April 24, 1922. (Revised Hansard pp.1073-4):

"We regard all these matters of unemployment and the like as questions primarily of concern to municipalities and to provinces, but in so far as the national interest may also be concerned we are prepared to co-operate with the municipalities and the provinces in seeking a solution."

(Quoted at greater length in Collection of Mr. King's statements in Parlt. annexed as Exhibit No.1).

N.B. In those days no one in Canada dreamed problem of unemployment might reach proportions since experienced.

Old Age Pensions Problem illustrates both difficulties:

(a) Special Committee (Commons), 1924, recommended old age pensions, but recognized need of provincial co-operation.

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(b) Special Committee (Commons), 1925, included in report opinion of Dept. of Justice that subject of old age pensions fell within provincial powers. Dominion could only give financial assistance to provincial schemes.

(c) Government attempted to legislate in 1926. Many Conservative members critical, but the bill passed Commons unanimously - only to be rejected by Senate with Conservative majority.

(d) Old Age Pensions important issue in 1926 general elections: gave Govt. majority in Commons.

(e) Act passed in 1927, recognized constitutional limitation, and dependent upon action by provincial legislatures.

(f) Dominion-Provincial Conference, 1927, demonstrated difficulty of securing general provincial adhesion even to a concrete scheme.

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(See extract from Official Précis of Conference annexed as Exhibit No.2. This extract indicates difficulty of concurrent legislation very nicely).

(g) Several years before all provinces accepted old age pension scheme.

(N.B. With old age pensions, concurrent legislation was possible but not really satisfactory; with unemployment insurance its very nature makes concurrent legislation (subject to repeal) absolutely out of the question.)

OLD AGE PENSIONS FIRST STAGE

P.M. stated in 1926 measure part of general scheme of social insurance.

Indicated progress necessarily slow.

Key phrases:

"We must in some way establish that link between the provinces and the dominion which will conduce to the working out of a great social insurance scheme along these lines. That will not be achieved in a year; as in other countries it will require time."

"We will . . . be taking the first necessary step to bring about that

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larger measure of contributory social insurance which is one of the great needs of our time."

(March 26, 1926, Revised Hansard pp.1977-8).

GOVT. FAR IN ADVANCE OF PUBLIC OPINION

Social Insurance on Agenda, Dom-Prov. Conference 1927

Provinces (except Manitoba) not greatly concerned about unemployment then.

(See Extract from précis of discussions at Conference annexed as Exhibit No.3. This extract a nice demonstration of ADVANCED position of Government and Liberal party.)

CONSERVATIVE PARTY ADOPTS SOCIAL INSURANCE

Liberals 1919, Conservatives 1927.

Extract from Winnipeg platform:

"So far as is practicable, to support social legislation designed to conserve human life, health, and temperance, to relieve distress during periods of unemployment, sickness and old age."

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STANDING COMMITTEE ON INDUSTRIAL & INTERNATIONAL RELATIONS

1928 Report

1. Accepted principle: unemployment insurance desirable.
2. Recognized necessity of inter-provincial co-operation: impossible for one province to act alone.
3. Recommended further study by committee at next session.

(Principal Recommendations annexed as Exhibit 4)

1929 Report

1. Re-iterated acceptance of principle.
2. Reported that Minister of Labour had consulted provinces : most provinces not disposed to act.
3. Recommended securing accurate unemployment statistics in forthcoming census.
4. Recommended subject for discussion at next Dom.-Prov. Conference.
5. Noted opinion of Justice Dept, that jurisdiction provincial.

(Principal Recommendations annexed as Exhibit 5).

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DEBATE: HOUSE OF COMMONS: MAY 23, 1929

Mr. Heaps'(Winnipeg North) Motion

That provinces be asked to transfer power to Dominion Parlt. by provincial legislation.

Minister of Justice (Mr. Lapointe)

Provinces did not have constitutional power to cede jurisdiction by their own legislation. "We would be asking the provinces to do something which they have no right, no power and no authority to do."

(Revised Hansard p. 2909. Argument annexed as Exhibit No.6).

Mr. Bourassa's position

A national problem: must transcend letter of constitution. (Revised Hansard,pp.2913-2916).

Some short extracts from speech:

"I am second to none in my respect for the basic principles of the constitution. But, I repeat, we must go ahead . . . We cannot

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remain shackled by the strict letter of a constitution which was written some sixty years ago and which no longer corresponds to all the needs of the people. . ."

". . . this is a confederacy and ought to remain a confederacy. But Canada is also a nation; it is one country and ought to be broad enough, with a constitution flexible enough, to meet the needs of all classes of the population irrespective of province, race or any other consideration. Now these labour problems, these social insurance problems, are essentially national questions. If you wait for the nine legislatures of Canada all to deal with the situation you will wait a long time . . ."

(N.B. Mr. Bourassa seems to be first advocate in Parlt. of constitutional change to secure necessary power for national scheme.)

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PRIME MINISTER FAVOURS NATIONAL SCHEME

Reply to Provincial and Municipal Deputation Seeking Federal Aid in Unemployment Relief, Deb.26,1930.

Referring to unemployment insurance:

"Eventually Canada will have a system of unemployment insurance".

"The only constructive way to deal with the unemployment situation".

(From Ottawa Citizen (Feb.27). Full extract annexed as Exhibit No.7).

House of Commons: Following Day (Feb.27)

"I think I expressed the view yesterday that in my opinion a system of unemployment insurance would be a constructive way to deal with the unemployment problem ..."

(See Exhibit No.1).

House of Commons: April 3, 1930.

"Seasonal measures . . . were of no permanent assistance and an insurance plan offered the only constructive way of avoiding distress."

(See Exhibit No.1).

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CONSTITUTIONAL IMPEDIMENT ATTACKED, 1930

Proposed Conference of Dom., Prov. and Municipal Govts. transportation coys.,industrial and labour assns.

Vote for conference in supplementary estimates.

Conference to be (in words of P.M.) "free to discuss any and all aspects of the problem of employment and unemployment."

Conference not held because of general elections.

Provinces consulted by Dept. of Labour,1930

Supplied with 1929 Committee report and asked for views.

Summary of replies up to June 23, 1930.

Three provs.: N.S., P.E.I., and Ont. had not replied.

N.B. wished subject to be brought before next Dom-Prov. Conference.

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Que. offered to send provincial representatives to appear before a Committee of the House of Commons.

Man. advocated a purely Federal scheme. Suggested Dom.-Prov. Conference consider amendment of B.N.A. Act.

Sask. wanted Dominion grants towards provincial schemes.

Alta. wanted Dom.-Prov. Conference but province refused to be bound by its decisions until local legislature approved.

B.C. Premier promised to consult Minister of Labour re-forwarding provincial government's views to Committee.

(Summary of replies submitted by Hon. Peter Heenan on June 23, 1930: annexed as Exhibit No.8.).

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Provincial replies noted constitute effective reply to advocates of concurrent action.

ATTITUDE OF LIBERAL PARTY IN OPPOSITION

Unemployment insurance much preferable to spasmodic relief grants.

(Mr. King on April 29, 1931, see Exhibit No.1).

Formal recognition of need for amendment of B.N.A. Act

Liberals opposed to acting until constitutional right to act secured.

(Mr. King on November 22,1932, see Exhibit No.2).

N.B. Amendment a recognized Liberal policy before 1935 elections.

Pledge to introduce national system

"As permanent measures, the Liberal party is pledged to introduce policies which will serve to provide employment by reviving industry and

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trade, and to introduce a national system of unemployment insurance.

(Mr. King on February 27,1933, see Exhibit No.1).

Liberal policy re-iterated in 1934.

(Mr. King on April 9 and 16,1934,see Exhibit No.1).

QUEBEC PROVINCIAL COMMISSION RECOMMENDS FEDERAL SYSTEM,1933

Social Insurance Commission presided over by Mr. Edouard Montpetit of the University of Montreal and including Mgr. Courchesne, Bishop of Rimouski.

Extracts:

"It seems necessary to favour the idea of a national fund, managed and controlled in conjunction with a national system of employment bureaux."

". . . ordinary prudence suggests that unemployment insurance should be federal in character."

(Quebec Social Insurance Commission,

(Sixth Report, 1933, at pp.202-203).

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"Unemployment insurance, although, according to the law, it falls under the jurisdiction of the provinces, and, although in theory, it is applicable with the provincial administration, cannot, for the reasons offered in this report, be efficiently organized except in a nation-wide manner."

"The Commission recommends that the Government of the Province of Quebec should request the Federal Government and those of the other provinces to agree to the formation of a permanent National Committee to undertake joint action against unemployment."

(Ibid. p.261)

(Fuller extracts annexed as Exhibit No.9).

MR. BENNETT'S ATTEMPT TO LEGISLATE, 1935

Late Govt. finally adopted Liberal policy

Liberals welcomed measure.

(Mr. King on January 29 and February 12, 1935, see Exhibit No.1)

But Liberals doubted legislative competence of Parlt. (Mr. King on March 12,1935,see Exhibit No.1)

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LIBERAL STAND UPHELD IN ELECTION CAMPAIGN

Typical Liberal pronouncement

"Unemployment insurance has been and will continue to be one of the basic policies of the Liberal party."

(Mr. King at Port Arthur, Oct.3,1935).

REFERENCE TO COURTS

Govt. not willing to waste tax-payers' money in expensive administration until validity determined.

1. Bennett act submitted promptly to the Courts.

2. Mr. Rowell put up good case for Insurance Act.

3. Judgments completely justified FEARS of Govt.

Representation of hesitant provinces in hearings on Employment and Social Insurance Act

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Supreme Court	Privy Council
Alta. represented	Alta. not represented
P.Q. represented	P.Q. not represented (Only in re-National Products Marketing Act)
N.B. represented	Atty. Genl. of N.B. appeared personally

(See copy of Justice Memo. Annexed as Exhibit No.10)

GOVT. PROMPT IN ACTION

P.M. announced intention of Govt. to proceed April 7,1937

"The government is most anxious to proceed rapidly with further legislation, and the matter will be given very full consideration between now and the time parliament reassembles next year."

(Reply to Mr. Heaps, Hansard p.2939).

First step: to get jurisdiction for Parliament

P.M. proposed constitutional amendment in letter to provincial premiers, Nov.5, 1937.

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Debate on Report of 1929 Committee: Extract containing Mr. Lapointe's argument ..... 6.

Report on Mr. King's Statement to Delegation on Unemployment Relief, 1930 ..... 7.

Summary of Provincial Government's replies to Minister of Labour, 1930 ..... 8.

Quebec Social Insurance Commission, 1933: Extracts from Report ..... 9.

Department of Justice Memorandum re References of Bennett Legislation to the Courts ..... 10.

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Statements made in Parliament by Rt. Hon. W.L. Mackenzie King
in favour of National Unemployment Insurance.

1922
April 24, Revised Hansard, pages 1073-74:

"It is in that spirit that the Liberal party adopted as one of the planks in its platform the resolution which my hon. friend has quoted, and which I shall quote now, and which, let me say, expresses the policy of the Government on this question:

> 'That in so far as may be practicable, having regard for Canada's financial position, an adequate system of insurance against unemployment, sickness, dependence in old age, and other disability, which would include old age pensions, widows' pensions, and maternity benefits, should be instituted by the federal Government in conjunction with the Governments of the several Provinces; and that on matters pertaining to Industrial and Social legislation an effort should be made to overcome any question of jurisdiction between the Dominion and the Provinces by effective co-operation between the several Governments'.

That policy is one which recognizes the obligations of the federal government to co-operate with the provincial governments in working out a system of insurance against unemployment. That is an entirely different attitude, however, from the federal Government's admitting that the obligation is upon it to solve this question independently altogether of the municipalities and the provinces.

I would say to my hon. friend and to the House that the Minister of Labour and myself have already been in communication with representatives of some of the provincial governments with a view to having a conference on this very subject during the course of the present year, and I think before the year is out that conference will take place; but I would like to make it perfectly plain that so far as the Government is concerned, we regard all these matters of unemployment and the like as

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questions primarily of concern to municipalities and to provinces, but in so far as the national interest may also be concerned we are prepared to co-operate with the municipalities and the provinces in seeking a solution".

1926
March 26, Revised Hansard, page 1977:

"We must in some way establish that link between the provinces and the dominion which will conduce to the working out of a great social insurance scheme along these lines. That will not be achieved in a year; as in other countries it will require time".

1930
February 27, Revised Hansard, page 107:

"I think I expressed the view yesterday that in my opinion a system of unemployment insurance would be a constructive way to deal with the unemployment problem, to which system not only the employer and the governments concerned would contribute but the worker also".

April 3, Revised Hansard, page 1231:

"Seasonal measures in the way of relief and public works were of no permanent assistance, and an insurance plan offered the only constructive way of avoiding distress. Under it those who expected relief and those who employed them would be compelled to contribute to a fund during their periods of employment and would receive benefits when out of work".

"If insurance is a good thing against fire, accident or loss of life, it is at least equally good for the family of the worker against unemployment, one of the many inevitable things he has to face".

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1931
April 29, Revised Hansard, pages1113-14:

"Frankly, as between meeting the problem of unemployment by relief measures, voting millions of dollars as occasion arises and meeting it by anticipating unemployment and its consequences through a system of insurance, I favour strongly the system of insurance."

"As unemployment is incidental to industry as it is carried on today, I believe some system of insurance against unemployment is absolutely necessary and should be provided".

"Having regard to the problem of unemployment before us at the moment, a problem that we know is going to recur from time to time, the government should immediately consider how a system of unemployment insurance can be made applicable to help meet such a situation".

"I see no reason why the administration should not consider whether some advantage might not be taken of the annuity system already in existence as a federal system so to extend it as to make the moneys paid in as premiums avilable at times of unemployment, as unemployment insurance to those who make contributions towards it. It might be so extended as to make the system available to its contributors as insurance against sickness or invalidity. There is an opportunity for an immediate step to be taken by the federal government to provide a measure of unemployment insurance".

1932
November 22, Revised Hansard, pages 1458-9; 1461:

"We have always recognized that, if there was to be a national scheme of unemployment insurance, or a national scheme to deal with any phase of social insurance, it would have to be by agreement between the provinces and the dominion, or possibly by an amendment to the British North America Act which could be made as a result of such agreement. Taking that view, we advocated two years and more ago that the government should then and there appoint a commission to deal with the question of unemployment and kindred matters, so that once the necessary data had been secured as a guide to the measure to be

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drafted, whatever steps might be necessary in the way of an amendment to the British North American Act in order to permit a national scheme of insurance to go into effect could be taken at the earliest possible moment".

"It must be obvious to all that unemployment is a recurrent condition and one which under any industrial system, I would say, having regard to the causes, is apt to recur in greater or less measure, regardless of what governments or individuals may seek to do. For this reason, it is essential that the state should make some provision which will help to meet the situation with regard to the unemployed".

"I believe the day is rapidly coming when, so far as practically all forms of social insurance are concerned, it will be recognized as in the interests of the country in every way that whatever scheme there may be should be national in its scope. A national social insurance scheme, which would take care of matters of this kind on a nation-wide scale, would be much more in the interests of the country as a whole than a series of measures carried out in different ways by each of the nine provinces, to all of which the federal government would be contributing either in whole or in part".

1933
February 27, Revised Hansard, page 2510:

"As permanent measures, the Liberal party is pledged to introduce policies which will serve to provide employment by reviving industry and trade, and to introduce a national system of unemployment insurance".

1934
April 9, Revised Hansard, page 1983:

"I urged at the very first session that these grants in aid to the provinces should be stopped pending the calling of a conference between the dominion and provincial governments to see whether it was not possible to have some arrangement made whereby the dominion could assume a large number of obligations for relief in its differenct forms - social insurance in its various aspects - taking them over as a national obligation".

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1934
April 16, Revised Hansard, page 2175:

"I thought that there ought to be a nation-wide scheme and national policy laid down and carried out with respect to insurance against unemployment as well as with regard to old age pensions".

"If my right hon. friend had done what we suggested in this particular and appointed a national commission to administer relief and to advise him as to what legislation was necessary in order to make more effective a national scheme of unemployment insurance, old age pensions and other social services, he would not have to say what he says now, that the country will have to wait until the election is over before anything is done".

1935
January 21, Revised Hansard, page 52:

"Does the Prime Minister claim that this is his policy, a national system of unemployment insurance? We have been advocating it since 1930".

January 29, Revised Hansard, page 306:

"I wish to say that far from opposing the motion to introduce a national system of unemployment insurance hon. members on this side have long been advocating that such a system should be introduced in this house, and we welcome the introduction of such a measure at this time".

February 12, Revised Hansard, page 736:

"I should like my first word to be that with respect to the principle underlying social insurance, I am most heartily in accord. I would like also in particular to say that I am heartily in favour of the principle underlying a national system of unemployment insurance".

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February 12, Revised Hansard, pages 749 and 751:

"Did we not state over and over again that we believed that what in part was needed for dealing with unemployment as it might arise in the future was a national unemployment insurance scheme?"

"In 1931, 1932, 1933 and 1934, every one of these years, we urged that a national unemployment insurance scheme should be introduced".

"I think I have made it very clear that all through this parliament we have been urging--and we started to carry out our endeavour in a preceding parliament--that there should be a national system of unemployment insurance. But every time we have discussed that matter we have been met by objections from hon. gentlemen opposite".

March 12, Revised Hansard, pages 1621-22:

"The Liberal party approves the principle of the social legislation thus far introduced and desires to see it in operation. We refuse to be manoeuvred into a position of opposition to this legislation".

"If parliament possessed the jurisdiction, we would vote for the measures of social legislation thus far introduced".

1937
April 7, Unrevised Hansard, page 2939:

"Mr. Heaps: Perhaps the Prime Minister would be good enough to inform the committee as to the policy of the government with respect to the legislation which has been declared ultra vires, as to whether it is the intention of the government at another session to see if they can proceed with some type of unemployment insurance".

"Mr. Mackenzie King: The government is most anxious to proceed rapidly with further legislation, and the matter will be given very full consideration between now and the time parliament reassembles next year."

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Statement made by Rt. Hon. W. L. Mackenzie King

in favour of

National Unemployment Insurance

General Election Campaign
1935

Port Arthur, Ont., October 3rd:

"Unemployment insurance has been and will continue to be one of the basic policies of the Liberal party," said Mr. King, adding Mr. Bennett got his idea of unemployment insurance from the Liberal programme.

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[redacted]

Exhibit No. 2

C151074

Unemployment Insurance

Dominion - Provincial Conference, November 1927

Extract from Precis of Discussions at p. 34:

(Re Old Age Pensions)

"The first question dealt with on the Agenda during the afternoon was the Old Age Pensions Act passed at the last session of Parliament. This Act provides for the payment to needy persons over the age of seventy the sum of $120 a year from the Federal treasury provided each province enacts concurrent legislation and pays a similar amount. The discussion showed an inclination on the part of most of the provinces to have the Federal Government make its contribution without involving the provinces in a similar obligation. By certain of the provinces it was contended that the additional burden would be too great for them to bear. This was particularly true of the Maritime Provinces, whose population contained a larger proportion of elderly people. Other provinces, including Quebec, declared that they had their own systems of relief for the indigent and old. The further complaint was made that the legislation placed the provinces in an invidious position inasmuch as pressure would be brought to bear upon them to adopt the legislation, that the responsibilities placed upon them of deciding as to who would be eligible for the pension

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and that if all the provinces did not adopt the Act it would be a checker-board affair. All however were agreed that the principle of old age pensions was a good one.

"On the other hand, the province of British Columbia, which has adopted the Act, took the opposite view. The Dominion Government, said Premier MacLean, had tried to make a federal Act, but this had been defeated in Parliament, on the ground that the care of the indigent and old was a provincial responsibility. He thought that the Act which had been passed was a real boon because instead of paying the whole cost the Federal Government had relieved the obligation of the provinces by $120 per individual. The Act was not a compulsory one and his province was quite willing to bear the burden. The province of Manitoba while taking the view that the Dominion Government might well bear all the cost, and that if it did not it should pay at least half the cost of administering the Act, declared the readiness of his province to introduce a Bill later and seek for a source for the securing of the necessary revenue.

"In introducing the subject Hon. Peter Heenan, Minister of Labour, declared that while the matter was one of provincial jurisdiction, it had been realized that it would be difficult for any one province of itself to formulate such a measure. The Bill had been introduced as a federal Bill, but

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had been voted down, and the present scheme had been introduced and passed in its stead. It was now on the statute book and he would like to see all the provinces adopting it. The Bill was not perfect and might be amended in the light of future experience."

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[redacted] Exhibit No. 3

C151077

Unemployment Insurance

Dominion - Provincial Conference, November 1927

Extract from Precis of Discussions at p. 31:

(Re Unemployment Relief)

"The question of unemployment relief was but briefly dealt with, with the possible exception of Manitoba no speaker urged federal aid in this direction. Several of the representatives in fact, were of the opinion that unemployment relief on any fixed basis was simply an encouragement to unemployment. The representative from Manitoba, however, cited the case of Winnipeg where at times by reason of itinerates wandering in unemployment was frequent, though labour conditions were fairly uniform. He believed that if the Dominion Government did not undertake to bear any share in the cost of looking after these strangers it should establish a depot for the relief of those who drifted in from the outside."

3.

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Unemployment Insurance

Select Standing Committee on Industrial and International Relations, 1928

Principal Recommendations

1. That the necessity of a policy providing some method of unemployment insurance is one that will inevitably have to be dealt with before long, as a solution, in part, of the industrial problems of the present day.

2. That we accept and endorse the principle of unemployment insurance, based on compulsory contributions derived from the State, the Employer and the Employee. In this connection we would point out that a somewhat similar decision was arrived at by a Royal Commission on Industrial Relations, which dealt with this subject in 1919.

3. That, whereas the conditions of unemployment vary so much more from Province to Province, than those relating to old age, it would be very desirable, for the success of any plan of unemployment insurance, that several of the Provinces should be willing to act simultaneously. In view of these circumstances, we are of the opinion that this matter should be referred to the various provinces, to ascertain which of them would be prepared to consider adopting legislation of this character, and to what extent.

.....

6. In order that this matter might be further dealt

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with, your Committee recommends to Parliament that at the next session this question be again referred to the Committee on Industrial and International Relations.

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Exhibit No. 5

C151080

Unemployment Insurance

Select Standing Committee on Industrial and International Relations, 1929

1. Your Committee would reaffirm the position taken in the final report adopted on June 6th of last session, namely:-

That your Committee accept and endorse the principle of unemployment insurance, based on compulsory contributions derived from the State, employer and employees.

2. Your Committee recognizes that, while it is highly desirable that such legislation should be uniform in all the provinces, and while social insurance has a federal aspect, nevertheless, according to the Department of Justice, under our constitution legislative jurisdiction in relation to the establishment of a compulsory system of unemployment insurance is vested exclusively in the provincial legislatures.

3. Your Committee finds that the provinces, on being consulted by the Department of Labour with regard to their attitude towards the establishment of a general scheme, do not appear to be prepared to take immediate action.

4. Under these circumstances, your Committee submits the following recommendations:-

(a) That with regard to sickness insurance, the Department of Pensions and National Health be requested to initiate a

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comprehensive survey of the field of public health, with special reference to a national health program. In this, it is believed that it would be possible to secure the co-operation of the provincial and municipal health Departments, as well as the organized medical profession.

(b) That in the forthcoming census, provision should be made for the securing of the fullest possible data regarding the extent of unemployment and sickness, and that this should be compiled and published at as early a date as possible.

(c) That the Federal Government be requested to bring the subject matter of this reference before the next Federal Provincial conference; and your Committee suggests, when the agenda for such a conference is being arranged that the provincial governments be invited to send representatives of the Employer and Employee to discuss the subject matter of this report.

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[redacted]

Exhibit No. 6

C151082

Unemployment Insurance

Extract from Debate on Report of 1929 Committee

(Revised Hansard, p. 2909 ff., May 23, 1929)

Hon. Ernest Lapointe (Minister of Justice): I am bound to object to the amendment of the hon. member for North Winnipeg (Mr. Heaps) as I believe that it could not be adopted by this parliament, as is suggested by the hon. member for St. Lawrence-St. George (Mr. Cahan). The amendment proposes:

> that all the provinces of the Dominion be requested to pass legislation under which the jurisdiction in relation to legislation providing for unemployment, sickness and invalidity insurance based on compulsory contribution and which is now claimed to be within or subject to the exclusive jurisdiction of the provinces be vested in the Dominion government.

We would be asking the provinces to do something which they have no right, no power and no authority to do.

Mr. Heaps: Will the hon. minister explain how the authority was given under the Industrial Disputes Investigation Act?

Mr. Lapointe: That is quite different. The hon. member proposes in his amendment that it would of necessity be a compulsory contribution. A compulsory contribution by employers and by employees, as has been said in the house, is undoubtedly a matter of civil rights as it affects the civil rights of both the employers and the employees, and it comes clearly and exclusively within the scope of the matters assigned to the

6.

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provinces for legislation under the British North America Act.

Mr. Heaps: Are there no civil rights under the Industrial Disputes Investigation Act?

Mr. Lapointe: There was no compulsion placed upon anyone. That act had to be changed in order to make it constitutional, as my hon. friend knows. That act was declared unconstitutional by the Privy Council and we had to change it and limit it to federal matters which came within the powers of this federal legislature. We offered the machinery of the Labour department and of this enactment to the provinces who might ask this parliament to put that machinery at their disposal in the case of industrial disputes.

Mr. Woodsworth: Did not the provinces surrender certain rights which they claimed to be provincial?

Mr. Lapointe: No.

Mr. Woodsworth: They passed enabling legislation.

Mr. Lapointe: I am quite sure that the provinces would never agree to this parliament imposing contributions and taxation on their citizens in matters which were undoubtedly provincial; they would not agree to that, and even if they did agree I do not think they would have the right to do so. The provinces have the right to delegate certain powers to municipalities, to commissions and to bodies which are of their own creation, and those bodies have the right to pass regulations and by-laws,

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but the provinces under the provisions of the British North America Act cannot delegate those powers to the federal parliament. That act is a charter--it is not a chart as explained by the hon. member for Lincoln (Mr. Chaplin) a few minutes ago--of the provinces and a charter of the Dominion, and neither one has the right to change it. If my hon. friend will not accept my views in this matter perhaps he will accept the views of the Privy Council. I have here the words of Lord Watson, given in a case reported in Lefroy's Canada's Federal System, in which he said:

> The Dominion cannot give jurisdiction, or leave jurisdiction, with the province. The provincial parliament cannot give legislative jurisdiction to the Dominion parliament. If they have it, either one or the other of them, they have it by virtue of the act of 1867. I think we must get rid of the idea that either one or the other can enlarge the jurisdiction of the other or surrender jurisdiction.

To these remarks Lord Davey added, "or curtail".

Mr. Cahan: Have you the reference from which you are quoting?

Mr. Lapointe: This is in the course of the argument in Canadian Pacific R. W. Co. versus Bonsecours, (1899) A.C. 367.

Sir John Thompson, when Minister of Justice in 1889--the house will find his words on page 218 of the same book--said that he had to express his dissent from the view:

> --that the interpretation of the British North America Act can in any way be affected by subsequent legislation by parliament, or the legislatures, or by

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> any action of the government. No legislative body can, by legislation, increase or diminish the authority conferred upon it by the constitution, nor can any expression of opinion or course of legislative action by either afford any conclusive or even satisfactory guide to its interpretation.
>
> No person in Canada can be bound by acquiescence in unconstitutional legislation on the part of governments, even if such acquiescence has occurred.

It is an elementary principle that governments, no more than individuals, can do indirectly what they cannot do directly. In that regard I will read two leading propositions of Lefroy in his book entitled Canada's Federal System. They are propositions Nos. 17 and 18, as follows:

> 17. The parliament of Canada cannot under colour of general legislation deal with what are provincial matters only, and conversely provincial legislatures cannot under the mere pretence of legislating upon one of the matters enumerated in section 92, really legislate upon a matter assigned to the jurisdiction of the parliament of Canada.
>
> 18. If the Dominion parliament or the provincial legislatures have no power to legislate directly upon a given subject matter, neither may they do so indirectly.

This is not new; the desire of going beyond the jurisdiction of a parliament is not peculiar to this one nor to the provincial legislatures in certain matters. Experience shows that all bodies are rather impatient of the limitations imposed upon their jurisdiction and powers, but in the case of a

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confederation like Canada, which by a contract binds every part of it together, we ought not to enter lightly upon any steps or make any move which would be an encroachment upon the powers of one or another of the legislative bodies created by that act.

There are, I believe, only two matters which clearly, under the British North America Act, come under the joint jurisdiction of the Dominion and the provinces. These are agriculture and immigration. As regards anything which concerns agriculture or immigration the federal parliament has the right to legislate and so have the provinces. In regard to health there are certain matters which the British North America Act gives to the federal government to supervise, for instance, matters concerning seamen. As a matter of fact, hospitals, with the exception of marine hospitals are placed under provincial jurisdiction. Matters concerning quarantine, inspection of immigrants and that sort of thing come under the jurisdiction of the federal parliament. When parliament created the Department of Health, there were some who entertained the view that it was rather doubtful whether parliament had the authority to do so, but if my hon. friend will read the act he will see that the Canadian parliament was very careful to say that the department has no control over matters which are under provincial control. They took care to say that they would not have any control whatever

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of provincial bodies, and the federal acts which are to be administered by that Department of Health are specially mentioned. They also say that one of the duties of the department would be to collect information and as far as this goes I have no objection to the report of the committee in respect of the matter which we are now discussing, because it is identical to the power given to the Department of Health, to collect information, to endeavour to obtain the cooperation of the various provinces with regard to matters of health which in certain emergencies might become national in their scope. But I repeat that the amendment of my hon. friend, which specifically states that unemployment insurance would have to be established by way of compulsory contributions by the persons concerned, both employers and employees, in the provinces, it is entirely outside of our jurisdiction and we would be asking the provinces to do something which they would have no right to do by transferring their powers to the federal parliament.

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Exhibit No. 7

C151088

Unemployment Insurance

Report of Mr. King's Statement to Delegation on Unemployment Relief

Ottawa, Feb. 26, 1930

("Ottawa Morning Citizen", February 27, 1930)

Eventually Canada will have a system of unemployment insurance, Premier King predicted yesterday in replying to a deputation seeking federal aid to municipalities and provinces on unemployment relief. This, he said, was the only constructive way to deal with the unemployment situation and he hoped it would soon be possible to work out an insurance plan.

Seasonal measures in the way of relief and public works were of no permanent assistance and an insurance plan offered the only constructive way of avoiding distress. Under it those who employed them would be compelled to contribute to a fund during their periods of employment, and the insured would receive benefits when out of work.

7.

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Exhibit No. 8

C151089

Unemployment Insurance

Summary of Provincial Government Replies to Minister of Labour, 1930

The substance of the replies from the provinces to this final letter follows:

(1) Prince Edward Island--no reply received.

(2) Nova Scotia--no reply received.

(3) New Brunswick-Premier Baxter concurred with the view expressed by the Committee that the Federal Government be requested to bring the subject of reference before the next Federal-Provincial Conference, for in his opinion it was better to invite a frank expression of opinion from provincial legislatures as a body without reference to Party.

(4) Quebec--Premier Taschereau stated the report was most interesting and would be glad to have his province represented before the Committee of the House of Commons if the matter were to be dealt with further in that manner.

(5) Ontario--no reply received.

(6) Manitoba--Premier Bracken called attention to some difference of opinion amongst members of the Committee of the House of Commons regarding the constitutional jurisdiction in the matter and stated the view that it would seem

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necessary for success that any plan of unemployment insurance be established and directed by the Federal Government and that provincial finances would not stand the addition of such a service even if desired. The Legislature on April 12, 1930, passed a resolution referring to the Committee report adopted by the House of Commons for the establishment of unemployment insurance, urging the Dominion Government to call a Dominion-Provincial Conference to consider the advisability of amending the British North American Act to give the Government of Canada authority to establish a Dominion-wide system of unemployment insurance if it so desired.

(7) Saskatchewan--Premier Anderson stated in opinion of his Attorney Generals Department the question of unemployment, sickness and invalidity insurance falls within the competency of provincial legislature but there seems to be no good reason why the Dominion might not co-operate by way of legislation for a grant of a sum of money in furtherance thereof, and he asked to be advised of the attitude of the Federal Government in this connection.

(8) Alberta--On March 10th Legislature passed a resolution expressing the opinion that the Government of Canada should with least possible delay call a conference representative of the Dominion and provincial Governments to investigate and consider the problem and to particularly

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consider whether any national plan of unemployment insurance is feasible and practicable: the resolution further says the province shall not be bound by any legislative or other action taken by the Parliament of Canada subsequent to such conference until the Legislature approves.

(9) British Columbia--Premier Tolmie stated he would be glad to consult with his Minister of Labour as to forwarding the views of his Government upon the subject for consideration of the Committee.

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Exhibit No. 9

C151092

Unemployment Insurance

Quebec Social Insurance Commission, 1933

Extracts from Sixth Report:

(at p. 202) Administrative Authorities

What may be said now concerning the possible administrative or directing bodies?

It is important that unemployment insurance should be operated on a cooperative basis and without profit. The surplus funds accumulated in a period of prosperity, should form the reserves which make it possible to weather safely, and without danger of collapse, periodic depression.

A rapid survey of the European systems shows that there are three kinds of funds--the national, the industrial and the syndicate. The first is found in obligatory insurance and the last two, in the optional systems.

It seems necessary to favour the idea of a national fund, managed and controlled in conjunction with a national system of employment bureaux. When the indemnity is paid by the unemployment bureau, voluntary unemployment may be detected. These administrative bureaux do not look after the collection of premiums, which is accomplished by the employer, deducting from the member's wages, the premium due

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and transferring it to the fund, in return for an official stamp or some kind of receipt, given by the collecting department, which may be the post office or any public agency.

(at p. 203) Federal Jurisdiction

Is it possible to establish unemployment insurance on a provincial basis in a federated state such as Canada? The answer is in the affirmative, for the example of Queensland, Australia, and of certain Swiss cantons prove the possibility. However ordinary prudence suggests that unemployment insurance should be federal in character. It is very advisable to spread the social responsibilities over the whole country, for otherwise, the provinces which participate find themselves in a condition of inferiority with respect to the non-participants. It must not be forgotten that the expenses involved in social legislation should be incorporated in the net cost of production. If certain provinces do not enjoy the benefits of tariff protection, the industrialists of those provinces must of necessity aim at an equality in social obligations if they do not desire to embark on a policy of rivalry which is not only impossible to maintain, but is unfair.

Moreover it is easily understood that the establishment of unemployment insurance in only one province would prove a great attraction to the unemployed in other provinces and

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that his social measure would soon prove a complete failure. One must take into consideration the absence of boundaries between the provinces and the natural facilities of moving about in the country.

(at p. 261) Conclusions

1. The Social Insurance Commission believes that unemployment is a problem above all national and international in character, with respect both to its causes and the remedies which it demands.

2. Unemployment insurance, although, according to the law, it falls under the jurisdiction of the provinces, and although in theory it is applicable within the provincial administration, cannot, for the reasons offered in this report, be efficiently organized except in a nation-wide manner.

3. The Commission recommends that the Government of the Province of Quebec should request the Federal Government and those of the other provinces to agree to the formation of a permanent National Committee to undertake joint action against unemployment. This Committee might be known as the Higher Economic Council, as in certain countries of Europe.

4. This common action might be displayed:

(a) by directing the development of national production in such a way as to avoid a ruinous over-production

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and facilitate the development of our foreign trade.

(b) by an inter-provincial policy of a reduction in the working hours, first in the industries which, by their nature, are adapted to such a policy, and then gradually in the others.

(c) by an intensive campaign among manufacturers and workers with a view to persuading them to accept a more general application of the principle of a sharing of work (see pages 192 and 193).

(d) by a study of the unemployment insurance plan submitted in this report, and by its application if it is agreed upon.

(e) by the gradual application of unemployment insurance with a threefold contribution (State, employers, and workers), when the economic situation will allow the country to undertake such a burden, and if it becomes clear that the measures indicated above do not give the results expected.

5. The Commission recommends that the Government of the Province should continue the struggle against unemployment:

(a) by continuing a national policy of return to the land and aid to agriculture; by the development of a cooperation between credit, sale and purchase.

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(b) by an inter-provincial policy of a reduction in the working hours, first in the industries which, by their nature, are adapted to such a policy, and then gradually in the others.

(c) by an intensive campaign among manufacturers and workers with a view to persuading them to accept a more general application of the principle of a sharing of work (see pages 192 and 193).

(d) by a study of the unemployment insurance plan submitted in this report, and by its application if it is agreed upon.

(e) by the gradual application of unemployment insurance with a threefold contribution (State, employers, and workers), when the economic situation will allow the country to undertake such a burden, and if it becomes clear that the measures indicated above do not give the results expected.

5. The Commission recommends that the Government of the Province should continue the struggle against unemployment:

(a) by continuing a national policy of return to the land and aid to agriculture; by the development of a cooperation between credit, sale and purchase.

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(b) by undertaking public works, a measure of the greatest importance, which at one and the same time increases the value of our national heritage and makes it unnecessary to have recourse to the harmful and abnormal methods of direct aid.

(c) by applying the methods of combatting unemployment which have been mentioned in section 4 of the recommendations (with exception of unemployment insurance), insofar as provincial action is possible.

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Exhibit [redacted]

Unemployment Insurance C151097

Copy of Department of Justice Memorandum

Re References of Bennett Legislation to the Courts

The Attorneys General of Quebec, New Brunswick and Alberta were respectively represented by counsel on the hearing of argument before the Supreme Court of Canada in each of the References concerning Social Reform Legislation (See 1936 S.C.R. at p. 365, and foot note on that page).

On the hearing of argument of these References before the Judicial Committee of the Privy Council, counsel for the Attorney General of Quebec appeared in only one case, namely, that relating to the Natural Products Marketing Act: see Attorney General for British Columbia v. Attorney General for Canada, 1937 A.C. 377 at p. 382.

The Attorney General for New Brunswick (Honourable J. B. McNair, K.C.) appeared personally, with Mr. Frank Gahan, of the English Bar, on the hearing of argument in the following References, namely, the Reference concerning The Treaty Making Power and the Three Labour Conventions: 1937 A.C. 326, 335; The Employment and Social Insurance Act; 1937 A.C. 355, 361; Section 498A of the Criminal Code: 1937 A.C. 368, 374; The Natural Products Marketing Act: 1937 A.C. 377, 384; and The

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Dominion Trade and Industry Commission Act: 1937 A.C. 405, 411.

The Attorney General of Alberta was not represented by counsel upon the hearing of argument by the Judicial Committee in any of the References.

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W. S. EDWARDS TO R. L. FREDENBURGH

WSE/ELJ.

OTTAWA, October 13, 1937.

MEMORANDUM FOR MR. FREDENBURGH:

As requested, I send you herewith copies of the following opinions given by this Department in relation to unemployment insurance:-

1. Letter to the Honourable Peter Heenan, Minister of Labour, Ottawa, dated May 16, 1929, on file 889/29.

2. Letter to Mr. H. H. Ward, Deputy Minister of Labour, Ottawa, dated November 9th, 1927, on file 1924/32.

3. Memorandum dated March 1, 1935 to the Honourable Mr. Dupre (Solicitor General).

"ENC."

W.S.E.

W. S. EDWARDS

D. M. J.

(Enclosures are filed separately
see W.S. EDWARDS TO PETER HEENAN, MAY 16, 1929
W.S. EDWARDS TO H.H. WARD, NOV. 9, 1927
(W.S. EDWARDS) TO MAURICE DUPRÉ, MARCH 1, 1935

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Department of Justice,
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OFFICE OF THE PRIME MINISTER
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Confidential

Ottawa, November 5th, 1937.

Memorandum for Mr. Edwards:

The Prime Minister has asked me to show you, for your approval or otherwise, the terms of the attached communication which he proposes to send to the Premiers of the Provinces, and about which I spoke to you last night.

H. A. Kennedy

Mr. Pickering
I have no suggestions
W.L.M.K.

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OFFICE OF THE PRIME MINISTER

MEMORANDUM

C151101

November 5th, 1937.

H-125
O.H.1

For Mr. King:

-- Herewith letters, for signature, to Provincial Premiers re Unemployment Insurance.

Mr. Edwards approved the letter as revised, after Council, yesterday. As requested I have shown Mr. Rogers the changes in the draft.

E. A. P.

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W.L.M. KING PAPERS

Memoranda and Notes

1933-1939

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C151102

UNEMPLOYMENT INSURANCE

PROPOSAL TO AMEND THE BRITISH NORTH AMERICA ACT

EXTRACTS FROM NEWSPAPER COMMENT

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UNEMPLOYMENT INSURANC[redacted]
Proposal to Amend the British North America Act
Extracts from Newspaper Comment

ALBERTA

C151103

Edmonton Journal, Nov. 12, 1937.

"It is to be hoped that the effort the Federal Govenment is to make to establish a Canadian unemployment insurance system will succeed..... Attempts by various provinces to introduce plans of their own would not work out satisfactorily. Each of them would be well-advised to allow Parliament to frame one that will apply everywhere in the Dominion."

Nov. 25, 1937.

"There has been considerable criticism of the proposal.....it has been for the most part in financial journals, the argument being that too large a burden would be placed upon industry and upon the Federal revenues.....

"The plan cannot be worked out satisfactorily unless it is made national in its scope. Because that is clear and because provinces are much less able than the Dominion to shoulder the public outlay involved, all of them will be well-advised to lose no time in agreeing to the constitutional amendment."

December 2, 1937.

"If unemployment insurance is left to the concurring action of the various provinces, no scheme would at all likely be adopted."

Edmonton Bulletin, Nov. 13, 1937.

"The provinces thus have it definitely and directly in their power to prevent or permit the establishment of a nation-wide system of insurance against unemployment. There would not appear to be much room for doubt which they will do. Ever since unemployment grew to the dimensions of a serious problem, the provincial governments have been insisting that this is a Dominion responsibility."

Nov. 26, 1937.

"It is difficult to understand why the provincial government should want to know of the ins and outs of the proposed unemployment insurance scheme before

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ALBERTA - Cont'd.

consenting to stand aside and let the Dominion make a second try to establish a scheme of some sort.....The matter seems to narrow down to this. The country will get an unemployment insurance scheme if the provinces do not block the way, but will have to continue the makeshift "direct relief" system if they or any one of them withold the consent asked for."

Calgary Herald, Nov. 15, 1937.

"Public opinion will undoubtedly assent to Prime Minister King's declaration that unemployment insurance, if it is to be effectively carried out, should be national in its scope. The years of depression have taught Canadians the necessity of taking adequate steps in advance to deal with unemployment, and this can only be done on a permanent basis through a national plan and national control."

Calgary Albertan, Nov. 16, 1937.

"If Mr. Mackenzie King's projected unemployment insurance scheme becomes an accomplished fact, it will be, as things presently appear, in the face of obstacles not less formidable than the estimated benefits are desirable.....

"The agricultural workers, constituting about 50% of the population, who are usually excluded, as a class, from such schemes. Yet they would have to share the cost of the increased prices of manufactured goods--oh yes, the consumer would pay for the manufacturer's contribution."

Lethbridge Herald, Nov. 16, 1937.

"Premier King has quite properly taken the stand that, in so important a matter it is better not to wait for the recommendations of the Rowell Commission before going ahead with unemployment insurance. The demand for such insurance, and action to bring it about can be secured while the broader problems involved in the Rowell Commission inquiry are under consideration."

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ALBERTA - Cont'd.

December 1, 1937.

"Mr. Aberhart's opposition to Premier King's proposal.....will occasion no surprise.

"A bird in the hand is worth two in the bush. Actual unemployment insurance payments on the British plan would, we are sure, be much more acceptable to Alberta workers than Mr. Aberhart's unfulfilled promise of $25 a month dividends."

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UNEMPLOYMENT INSURANCE

Proposal to Amend the British North America Act

Extracts from Newspaper Comment

BRITISH COLUMBIA

Vancouver Province, Nov. 11, 1937.

"The Dominion Government is to be commended highly upon its plan to bring into effect, at the coming session of Parliament, an unemployment insurance act.....The provinces are being asked to agree in a constitutional amendment.....It is difficult to see why any province should hold back."

Dec. 30, 1937.

"Here, on an important issue, are six provinces with a total population of 6,700,000 ranged against three provinces with 4,300,000. Supposing, when they see the text of the proposed amendment, the three hesitating provinces decide they do not want it, what will the Dominion Government do? Will it go on with its plan and ask the two Houses of Parliament to send an address to Westminster, requesting the Parliament there to pass the amendment? Or will it bow to the minority and erase employment insurance from its programme? Mr. Mackenzie King refuses to say."

Vancouver Sun, Nov. 11, 1937.

"British Columbia does well to concur so promptly in the proposal of the Federal Government to institute unemployment insurance in Canada..... The principle of unemployment insurance represents the only scientific method of dealing with a situation in which the country must become responsible for the livelihood of men who cannot be absorbed into the economic structure of the nation."

Victoria Colonist, Nov. 17, 1937.

"Sanction by the provinces to the proposed amendment to the B.N.A. Act will be followed by an address to the the Imperial Parliament, and the necessary change will be made automatically. The institution of

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BRITISH COLUMBIA - Cont'd.

unemployment insurance, or the dole, as it has become known colloquially in Great Britain, may or may not lead to nationally-approved results. It is, of course, a complete delusion that such legislation will solve the unemployment problem."

BARNSCLIFFE
LINEN BOND
MADE IN CANADA

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Proposal to Amend the British North America Act

Extracts from Newspaper Comment

[redacted] 3

MANITOBA

Winnipeg Tribune, Nov. 10, 1937.

"Notwithstanding the verdict of the Privy Council, there are still many authorities in Canada, of the highest standing, who believe Parliament is entirely competent to deal with the question without an amendment to the B.N.A. Act. They believe the appeal case was not adequately presented to the Privy Council. However that may be, Mr. King's method of procedure seems to be the only one open at the moment, and it is unquestionably desirable to get along with the project as rapidly as possible.....The sooner Canada gets at the job of providing for future unemployment, the better prospect of administrative success."

Winnipeg Free Press, Nov. 12, 1937.

"While there is, thus, a good deal involved in Mr. King's offer to the provinces, he is undoubtedly taking the right course in seeking, without further delay, to obtain the co-operation of the provinces and telling them that the Dominion will assume the whole responsibility if they will enable it to do so."

"There is very wide demand in Canada for unemployment insurance. This is practically the only progressive country that has not this protection for its workers. To leave it to the provinces to provide it, if and when they saw fit, would lead to serious difficulties and confusion. A Dominion-wide scheme is the only practical plan."

"Everyone recognizes that the workers should have this protection against unemployment.....It is wise provision during employment against the danger and fear of unemployment. It gives the worker a greater feeling of security, and this is necessary in view of the periodic fluctuations in economic conditions. It is a form of social security that has been provided almost everywhere else and Canada should not delay in adopting it. That will soon be done if practical views prevail in the provinces."

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UNEMPLOYMENT INSURANCE

Proposal to Amend the British North America Act

Extracts from Newspaper Comment

NEW BRUNSWICK

Saint John Telegraph Journal, Nov. 11, 1937.

"The procedure followed by the Prime Minister is not only interesting because of its objective, but full vindication of the stand taken by New Brunswick at the Federal-Provincial Conference is to be found in the action of the Ottawa authorities.....It was doubly surprising when Hon. J. B. McNair, Attorney-General of New Brunswick, assumed the role formerly occupied by Mr. Taschereau, and refused to concur in any action which would take away from this province its right of veto.....It may be well to repeat that at the conference of the Federal and Provincial Governments, New Brunswick suggested that if any amendments were contemplated, their full text should be revealed to the provinces for study and action. That is just the course that the Prime Minister has followed in this instance, and he is to be congratulated in putting the cards on the table face up, so that each province may be in a position intelligently to appraise the full effect of this particular amendment."

Nov. 20, 1937.

"The attitude of New Brunswick was not, as it frequently has been misunderstood elsewhere, that it is opposed to any amendment, but rather that it will not agree to any amendment until the full text of such amendment is submitted to the provinces for consideration and approval .....We not only think that the province should give its consent to such an amendment, but we believe that the project is sound, in view of the experience in Great Britain

Nov. 27, 1937.

"Premier Duplessis is in favour of a sound and fair system of unemployment insurance, but he desires information as to the broad lines and important details of such legislative machinery. This is exactly the stand taken by representatives of the New Brunswick Government

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NEW BRUNSWICK - cont'd.

at the provincial conference held in Ottawa. It is reassuring to find Quebec return to her first love, a desire to retain provincial rights unimpaired."

Dec. 10, 1937.

"Somewhere between the extremes of complete Federal domination and ultra provincialism is a common ground upon which can be worked out the spirit of the Canadian confederation which would entrust to the Dominion authority responsibility for the carrying out of all services of a Dominion-wide character, and leave to the provinces those affairs of a local or provincial nature. And the best approach to this ground is through a generous attitude of compromise on the part of all concerned, rather than through an insistence on extreme theories or die-hard convictions."

Moncton Transcript, Nov. 18, 1937.

"The Ottawa authorities do well to move with caution. The coupling of unemployment insurance with regulations regarding minimum wages, maximum hours and other conditions of social welfare and security scarcely could have expected provincial unanimity. "One thing at a time and that done well, is a very good rule, as many can tell."

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Extracts from Newspaper Comment

NOVA SCOTIA

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Halifax Chronicle, Nov. 11, 1937.

"So far as we have seen there has been unanimity in the press throughout Canada that any unemployment insurance scheme should be nation-wide for obvious reasons, since if one Province had it and another did not, one Province would be placed at a disadvantage with another. If agreement is found there will be no question as to the validity of the legislation following such a course."

"The announcement of this policy is an important step, but it would be unwise to entertain unreasonable hopes about it. It, no more than Premier Bennett's scheme, is a cure for unemployment, but is rather a measure for the future, taking care of the insured when they find themselves out of work."

Halifax Herald, Nov. 11, 1937.

"It is for the provinces to decide if Canada is to have a national system of unemployment insurance. And since such social services as this must be uniformly satisfactory throughout the Dominion, the concurrence of the provinces in the Dominion Government's proposals should be given without question and without delay."

Nov. 15, 1937.

"There is no point in indulging in recriminations or in speculating on the rightness or wrongness of the court decisions in relation to these matters. What the Canadian people are confronted with is the urgent need for social measures of this kind; and obviously, it is the duty of the provinces to co-operate with the Dominion Government in order to secure a national system of unemployment insurance without any further unnecessary delay."

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NOVA SCOTIA - Cont'd.

Nov. 18, 1937.

"The people of Canada are concerned with the legalistic and constitutional aspects of this vitally important matter only as they represent barriers in the path of Social Reform. And it is the insistent demand of the Canadian people that these barriers be removed at the earliest possible moment in order that Canadians from coast to coast may enjoy the benefits of advanced social legislation of this kind."

Nov. 29, 1937.

Referring to the Lemieux Act - "And there you have it--"enabling legislation" deliberately attempting within this Dominion to amend the provisions of the British North America Act, an Imperial statute, which is the Constitution of this country!"

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ONTARIO

Toronto Star, Nov. 10, 1937.

"National unemployment insurance is much to be preferred to provincial unemployment insurance. It is desirable that there should be, throughout Canada, one law and one set of regulations..... From the provincial financial viewpoint it should be a welcome suggestion, for the scheme would be financed, insofar as State contribution goes, by the Federal treasury."

London Free Press, Nov. 10, 1937.

"Prime Minister Mackenzie King's proposal to the provinces that they agree to an amendment to the British North America Act to empower the Federal Government to introduce a national system of unemployment insurance at the next session of Parliament should be accepted.....There is no reason why technical considerations of provincial rights should be permitted to block progress in this direction any longer.....The important thing for the present is to clear the way for effective action on the part of the Federal Government. While we are enjoying a period of reasonably good times, it is obviously wise to prepare for future storms."

Windsor Star, Nov. 11, 1937.

"If this country is to have unemployment insurance, now is the time to launch the plan. Canada is enjoying a fair degree of prosperity.....Much better to get arrangements under way when men and women are able to pay into the fund and thereby build up a healthy reserve, rather than wait until we are in the midst of another depression when these same people can do nothing but draw benefits."

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Globe & Mail, Nov. 11, 1937.

"Prime Minister King's proposed short route to unemployment insurance apparently involves the provinces only in the matter of consent. It is difficult to see how any of them can find a valid excuse for witholding this. Premier Hepburn is prepared to introduce legislation for this province in the event of nothing being done at Ottawa. But it is generally recognized that national legislation and administration are preferable to establish uniform conditions for employing firms engaged in interprovincial business."

Financial Post, Nov. 13, 1937.

"Ability of Prime Minister Mackenzie King to create a Federal employment scheme has far-reaching implications for Canada. The proposed plan calls for co-operation of the provinces in obtaining an amendment of the British North America Act which would permit Ottawa to establish both a national system of unemployment insurance and a national employment service with Federal jurisdiction. If it can be achieved it will provide proof of Canada's willingness and ability to act as a unit and submerge for once the rampant sectionalism about which so much has been heard of late."

Hamilton Spectator, Nov. 20, 1937.

"There is no longer any challenge of the desirability and justice of the reform, the only question being what would be the best method for the Dominion to adopt.....The mistake Mr. Bennett made - and it was certainly a serious one - was not to make sure first of all of the constitutional grounds. Mr. King proceeds more warily in seeking the consent of the provinces to an amendment to the British North America Act, so that the scheme can be carried out, not only legally, but with the endorsation of a united Dominion."

Ottawa Citizen, Nov. 25, 1937.

"Canadian authorities have decided that Canada must prepare for recurring periods of widespread poverty due to unemployment.....It is believed that the State machinery of unemployment insurance will be more

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economical, more satisfactory to everybody concerned, than the present method of distributing relief to the destitute through the provinces. Before this State machine is set up in Canada, there should be no mistaken belief that it will operate to decrease unemployment. It is more likely to cause workers to be discharged, to draw State insurance in periods of diminishing demands.

Ottawa Journal, Nov. 30, 1937.

"The first loyalty of every citizen of Canada should be to the Dominion, not to his own province, wherever that may be.....In the Dominion Parliament and Government every province is represented - and in more than one case more strongly than it should be - proportionately to their population or importance. And so the interest of each province is well guarded at Ottawa."

Saturday Night, Dec. 4, 1937.

"The Quebec Government has done what it was doubtless relied upon to do. It has allowed itself to be manouvered into blocking what looked like an earnest move of the Dominion Government towards national unemployment insurance.....That the Ottawa government is beyond question devoutly thankful to be blocked and always hoped it would be, is beside the point..... It would have been far more embarrassing to the present Dominion Government if he had consented. They would have had to produce an unemployment insurance scheme. Now they don't."

Toronto Globe & Mail, Dec. 27, 1937.

"We believe a mistake will be made if the amendment (to the British North America Act) and the insurance provisions are treated together. The former should encounter no opposition. The insurance scheme calls for full deliberation.....There are so many sides to this problem that it ought to have full public discussion and authoritative consideration before legislation is passed. Provincial objections, however, should not stand in the way of acknowledgment of Federal authority."

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UNEMPLOYMENT INSURANCE

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Extracts from Newspaper Comment

PRINCE EDWARD ISLAND

Charlottetown Patriot, Nov. 23, 1937.

"With regard to unemployment insurance, Mr. King has a special mandate to proceed with the necessary legislation to institute such a system under Federal control.....As we are an agricultural province, the new legislation will not affect our people to any great extent and it may be possible that provision will be made that the system will only become operative in each province upon the proclamation of the Governor in Council."

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French Press
(Translations from)

Le Droit, Nov. 10, 1937.

"It is evident that Mr. King cannot act without the consent of the provinces since the Privy Council decided that the enemployment insurance law enacted by the Bennett regime encroached on the rights of the provinces.....This province is extremely jealous of its autonomy. If Mr. King's proposal is accepted it will necessarily be limited. It is another step towards the greater centralization of administrative powers in the hands of Ottawa. The whole question to decide is if this centralization is in the interest of unemployment."

Nov. 26, 1937.

"The attitude of Mr. Hepburn is a surprise. The head of the Ontario Government has accustomed the people to see in him a redoubtable champion of the rights of the provinces against the encroachment of central authority.....The clear and firm attitude taken by the Premier of Quebec will have the effect of a dash of cold water on the enthusiasm which the acquiescence of the English speaking provinces towards the project has had on ministerial circles in Ottawa.....What the Federal Government desire is that the provinces cede their rights to legislate on unemployment insurance. They evidently believe that this legislation cannot be accomplished unless they have exclusive control."

Dec. 2, 1937.

"Mr. King offers no proof that he is right in demanding the giving up of certain provincial rights, but contents himself with saying it is impossible to institute a sound unemployment scheme without confiding to the Federal authorities of the necessary powers. One cannot consider as a proof the vague and anonymous "authorities" which he invokes. Mr. King has not cited the name of one authority on which he leans."

"The Prime Minister of Canada intends to march forward in spite of the attitude of the provinces of Quebec, New Brunswick and Alberta. He has, however, consented to submit to the provincial governments the text of

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the proposed amendment to the constitution before presenting it to the Dominion Parliament.....
If the provinces are opposed to the amendment, we cannot see how Ottawa, without urusping power, can proceed with a Federal unemployment insurance plan."

Dec. 10, 1937.

"Federal centralization is following its course and those who oppose it are the subject of unjust attacks by certain newspapers. It is necessary, in order to please the partisans of centralization, that the representatives of the provinces renounce with gaiety of heart and without concern for their constituents, all their legislative powers.....The progress of the administrative and legislative centralization demands that upholders of provincial autonomy must hold firm to their position and continue to refuse to hand over to the Federal Parliament the power to amend the constitution, which is the last refuge of the rights of minorities and provincial liberties."

Jan. 13, 1938.

"We cannot see how Mr. King can oppose Mr. Duplessis. The Prime Minister of Canada is a great friend of liberty. He never lacks an occasion to tell us how dear it is to us. How precious and how we must guard it as if it were the 'apple of our eye'. We agree with him; that is precisely what Mr. Duplessis is doing at this moment when he defends autonomy of the provinces against encroachments of the Federal Government. Quebec loves her liberty. She wishes to guard it. If the Prime Minister was logical instead of trying to take away this autonomy, he would be employed in safeguarding and strengthening it."

L'Evenement, Nov. 12, 1937.

"Insurance against unemployment is a piece of social legislation which does not lack attraction. Numerous European countries have provided themselves with it in order to protect their workers against seasonal unemployment and chronic idleness at certain periods .....It remains to be seen how the organization Mr. King wishes to create would stand up against an industrial cataclysme such as that of 1929-1930. It might perhaps save us from or at least attenuate some of the effects."

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La Presse, Nov. 10, 1937.

"Will certain governments which have shown themselves very jealous of their autonomy in regard to questions of finance, consent to abdicate the powers which they have held since Confederation, in the matter of assurance. It is on that question, one is inclined to believe, that the Federal Government will encounter the strongest opposition. Doubtless they expect it."

"On the other hand, it is reasonable to think that if unemployment insurance appears necessary and indispensable, the provinces will not hesistate to confide it to the administration at Ottawa. It remains to be seen what distribution of financial responsibility will be made. The experience of Great Britain has shown that one cannot take too much care in deciding this point."

Nov. 26, 1937.

"It is clearly demonstrated by the letter from Mr. Duplessis to Mr. King on the question of unemployment insurance that the province of Quebec, for her part, has no wish to blindly subscribe to the application of a project of such importance, and on the other hand, she desires nothing but to study it to the full with the Federal authorities and other provincial governments in order to establish the regime at the same time safeguard in the best manner the interests of the workmen and of the country."

"There is no lack of economists who contend that widespread and permanent unemployment will remain with us, a sad heritage from the years of depression from which the world has just come. Perhaps. Will unemployment insurance suffice to solve this problem? Or would it not be better to regulate it by industrial decentralization as advocated by Mr. Henry Ford during the last two years. In any sense, the subject is complex enough to demand the most serious consideration."

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Le Canada, Nov. 11, 1937.

"Everyone recognizes the necessity for unemployment insurance, especially in relation to modern conditions.. .....The Liberal Government is anxious to relieve the miseries of unemployment. It has proved that by its acts. Thanks to the excellent work of the Purvis Commission, the government can flatter itself in having singularly reduced unemployment.....Incidentally, this should put an end to the attacks made by Mr. Bennett on the Rowell Commission.....But it is false, as one can see, to charge the government with placing its responsibilities on the shoulders of the Commission."

Nov. 29, 1937.

"Mr. Duplessis has taxed his ingenuity to say "no" while at the same time having the air of saying "yes", and above all, he seeks to hold the support of the workmen, who are favourable to Mr. King's suggestion. (editorial quotes from "Le Monde Ouvrier" --"We demand unemployment insurance, but administered by the Federal authorities. If it should be that the Duplessis government is to have control, we do not want it. That is clear, explicit and final.") One thing is certain, there is not a workman who does not desire some form of unemployment insurance. It is, then, before these men that Mr. Duplessis will have to explain the attitude which he has just taken."

Dec. 9, 1937.

"If Mr. Duplessis has refused to concur in the Federal Government's proposal in regard to unemployment insurance, under the pretext of protecting the rights of provincial autonomy, it is because he knows that he will not have control of it and will not be able to dispense the shabby party patronage of which he has availed himself since coming into power."
(quoted from speech by Mr. Cleophas Bastien, M.L.A. for Berthier)

Le Journal, Nov. 25, 1937. (Mr. Duplessis' organ)

"If Mr. King was desirous of receiving a frank and explicit reply from Mr. Duplessis, he may be fully satisfied.....The Premier is not

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opposed to the principle of the unemployment insurance scheme. That is a point which it is necessary not to lose sight of ..... This proposal raises for the province of Quebec a very serious question and one that cannot be neglected even if the other provinces do not consider it for themselves. The Prime Minister of Canada has overlooked the fact that the Duplessis government is absolutely determined to safeguard to the uttermost the autonomy of the province. Moreover, Mr. Lapointe, who took part in the recent electoral campaign, is certainly in a position to make him understand this determination. Mr. Duplessis' position is more solid in that he has never taken part in Federal politics and has always taken care not to confuse the two domains ..... Our legislators can find a solution in this sense (enabling legislation). This has already been before other countries which have constitutions identical with ours, notably Australia and Switzerland, where they have succeeded in reconciling respect for provincial autonomy with the general interest. Many problems which pass beyond the bounds of provincial authority cannot be regulated by a uniform measure across the country. Concurrent legislation would permit, on the contrary, attainment of this end while remaining within the limits of the constitution. The provincial government finds itself amply justified in insisting that the Federal Government does its part by inaugurating a program of public works. There is no need to amend the constitution."

Jan. 13, 1938.

"There is on foot in Federal circles a serious movement towards centralization of legislative powers. Those who deny it are either blind or are of bad faith..... At the first glance this measure (unemployment insurance) would not appear to be an encroachment on provincial rights. It is sufficient, however, to recall that there are other means, just as practical and as easy, to arrive at the same results, to make one ask what interest can the government at Ottawa have in desiring to amend the constitution. This unemployment insurance scheme is not by any means the only manifestation of the Federal spirit against which it is necessary to react. ....For us, French Canadians, this question is not only one of economics and politics. It is necessary

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not to forget that all our rights and our liberties, Catholic as well as French, are guaranteed by the Constitution. No good would come out of any attempt to transfer the safeguarding of our rights to another authority.

Le Soleil, Dec. 7, 1937.

"As to the Catholic and national syndicates, they have just declared their stand on this question. And they have made it without equivocation by the voice of the head office of the Confederation of Travailleurs Catholiques du Canada ....."

La Patrie, Nov. 16, 1937.

"It is not only a case of the majority of the provinces giving consent to the Fiat necessary to the Federal Government for the organization of a national, and, perhaps, a coercive scheme of unemployment insurance, but all the parties to the pact of Confederation. Each of the contracting parties has equal and rival rights since each has made sacrifices for the benefit of the central authority. National unity only exists at this price."

Nov. 25, 1937.

"What do we find in Mr. Duplessis' letter? Complete approval of unemployment insurance in principle; conditional approval of its establishment in Quebec; formal opposition to a legislative union; the wish that, unemployment being recognized as of a national character, the Federal Government should modify the form of its aid. It would be well to scrutinize every aspect of the constitutional precedent which it is proposed to create, especially seeing we have the status of a minority, as well as the question of insurance so formidable in its cost and technical complications."

Dec. 10, 1937.

"A national organization can offer some administrative advantages owing to centralization, but it imposes a levelling process which does not always take into account local needs and regional requirements .....

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What use will unemployment insurance be to Prince Edward Island, which province has no unemployed, or to the agricultural districts already exempt from all sorts of social laws? It has not prevented some almost wholly agricultural provinces from being first to reply "Aye Ready".....

"Besides, if we really study the significance of this scheme on a young and vigorous country, it's repercussions on industry, on the workmen's budget and on organizations already established... ....Unemployment insurance is not a remedy for unemployment, on the contrary it tends to give to seasonable and casual unemployment a permanent character.....It may also become a menace to the financial solvability of a country."

L'Illustration (Montreal) quoted from Montreal Star of Nov. 18.

"In the proposals which Mr. King has just made the project of unemployment insurance is only a new pretext to make a breach in the Federal pact .....If for one occasion the constitution is amended in a single essential article, the precedent will be created, the door will be open .....Social reforms can be carried out perfectly in this country in the contractual way between the different contracting parties of Confederation... .....We should continue on the same road, but the Constitution should not be uselessly amended for ulterior motives as dangerous as they are plain."

L'Action Catholique (Montreal Star, Nov. 18)

"Non-contributory unemployment insurance is more immoral than the distribution of a social credit dividend, because it only aids unemployed persons, while the dividend helps workers as well as unemployed.....If a poor worker pays his contribution during several years and then has to stop on account of lack of resources, the system will simply have done him the ill-service of reducing his savings."

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C151124

QUEBEC (English Press)

Montreal Gazette, Nov. 11, 1937.

"Whatever may be the merits or demerits of unemployment insurance provided by the State, or based upon State contributions, there could be no question as to the propriety of the course which the King Government is pursuing as contrasted with the unconstitutional attempt of its predecessor.....One of the reassuring things about the move which the Dominion Government is now making lies in the fact that no change in the amendment procedure seems contemplated.....Amendment difficulties will never arise as between Ottawa and Westminster, but only between the Dominion and the Provinces. Mr. King, therefore, is approaching his objective in the right way."

Nov. 26, 1937.

"The whole object of the Dominion Government, as we understand it, is to proceed upon a basis of agreement and in an atmosphere of as nearly absolute harmony as can be created. It may be taken for granted that whatever safeguards this or any other province considers to be desirable will be acceptable to the Federal Government and Parliament so long as the main purpose is achieved."

Nov. 30, 1937.

"All that Quebec, Alberta and New Brunswick have done is to express a disinclination to surrender a provincial legislative right without knowing precisely how far their constitutional interests may be affected. Given the necessary information which they are seeking, it is more than probable that their legislatures will agree, assuming of course that such information is capable of no disturbing interpretation.....The obviously proper course for the Dominion Government is to put its cards on the table and if possible satisfy these provinces as to the constitutional propriety of the step which the Dominion desires to take. This done, if the provinces are still dissatisfied, there will be room for discussion and for compromise, but there

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will be no opportunity for either so long as the provinces are left in the dark. The Dominion Government is doing the correct thing in seeking provincial co-operation and approval but it can scarcely hope to secure such approval and co-operation upon terms which any of the provinces regard as even possibly prejudical to provincial interests."

Dec. 2, 1937.

"It is here, probably, that provincial misgivings arise, misgivings which are unlikely to be removed unless the Dominion Government, in addition to the draft of the constitutional amendment, outlines at the same time in reasonably precise terms the legislative use which the Federal Parliament is to make of its new authority.....If Mr. King insists upon a blanket authority the chances are ten to one that he will not get it, or, at any rate, that the provinces will not be unanimous in giving it. He has no right to ask for it and if he continues to insist upon blind acceptance, even in principle, he will be inviting failure."

Montreal Star, Nov. 11, 1937.

"In the last few years the need for unemployment insurance has been sharply felt in Canada. Business men, labour leaders, public authirities -- responsible people in most compartments of the national life -- have seen the need for it and the benefits it can bring to the country if properly organized."

Nov. 25, 1937.

"This task, like several others, is one that cries out aloud to be done by the Federal Parliament, not by the provinces.....The desire of the Dominion Government to amend the British North America Act in the sense that the Fathers would have written it .....meets in Quebec the obstacle raised by the nervousness of our people over any weakening of the provisions in that Act for our protection. This is a serious obstacle. It is an obstacle that will have to be passed and dealt with in regard to several other similar issues."

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C151126

UNEMPLOYMENT INSURANCE

Proposal to Amend the British North America Act

Extracts from Newspaper Comment

SASKATCHEWAN

Prince Albert Herald, Nov. 12, 1937.

"Canada's experience with unemployment insurance demonstrates the necessity of an early overhauling of the constitution. This matter is being attended to, but in the meantime the King government wisely proposes not to wait until the constitution is rewritten before unemployment insurance is adopted."

"It is imperative that no time be lost. Economic conditions in Canada are improving. It is under such conditions that a jobless insurance fund should be built up to cushion the fall in the periods of decreasing employment."

Regina Star, Nov. 12, 1937.

"No one will welcome an unemployment insurance measure more than its parent, the Conservative party, by whatever method it is adopted. It may be Premier Hepburn has forced Ottawa's hand by announcing his determination to institute a plan for Ontario, a plain intimation to Ottawa to get going or be left behind. It may be that the announcements appearing in party platform noticeably in that of the Saskatchewan Conservatives favoring this form of welfare has made swift action imperative. Something has awakened the Government and Mr. King has made haste to assure all of his determination to proceed. Two years too late."

Regina Leader-Post, Nov. 30, 1937.

"Mr. Mackenzie King's proposal offers a test of national unity in Canada and it also presents an opportunity to get something worthwhile done in the field of practical statesmanship. Many may take the view that such things as human rights and social progress are more important than chaffering over Dominion vs provincial prerogatives. Necessity in this case should be the mother of reasonableness and despatch."

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SASKATCHEWAN - Cont'd.

Saskatoon Star-Phoenix, Nov. 12, 1937.

"Premier Mackenzie King's letter to the provinces asking for their assent to the making of one constitutional change in order that a national unemployment insurance system may be established revives a proposal on which all political parties are in agreement."

Jan. 4, 1938.

"A vast majority of persons in Canada still desire it (unemployment insurance). Most of the Provincial Governments are more or less committed to it. There are a number of ways in which it could be brought about.....In any event, Mr. King will probably get his amendment if he presses for it with determination."

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Coll-Unemployment Insurance
Anonym [redacted]
1937
C151128

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Vol 1
Dec/37

Unemployment Insurance

Proposal to proceed with Constitutional Amendment and Federal Scheme

Communications sent by Prime Minister, November 5, 1937.	Acknowledgment Received	Remarks
Ontario (Hon. M.F. Hepburn)	Interim ack. by Mr. Hepburn's Secy, dated Nov. 6th.	
	Ack. by Mr. Hepburn, dated Nov. 25th.	Govt. prepared to give fullest measure of co-operation to proposed amendments to B.N.A.Act
Quebec (Hon. Maurice Duplessis)	Ack. by Mr. Duplessis, dated Nov. 22nd	Quebec would be happy to co-operate in establishment of sound and fair system of unemployment. In favour of collaboration and co-operation, but firmly and decidedly against legislative union.
	Ack. by Mr. King, dated Nov. 26th,	First essential step to secure amendment to B.N.A. Act. Trust Quebec will endorse principle of national insurance.
Nova Scotia (Hon. A.L. Macdonald)	Ack. by Mr.Macdonald, dated Nov. 24th.	No objection to amendment being made

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New Brunswick (Hon. A. A. Dysart)	Ack. by Mr. Dysart, dated Nov. 13th.	Careful study will be given suggestion, after which further communication will be sent.
	Further letter from Mr. Dysart, Nov.25th.	Proposal must be determined by Legislative Assembly of Province.
Manitoba (Hon. John Bracken)	Ack. by Mr. Bracken dated Nov. 16th.	Signifying his co-operation re amendment to B. N. A. Act.
British Columbia (Hon. T.D. Pattullo)	Ack. by Mr. Pattullo dated Nov. 11th.	In accord with proposal that B.N.A. Act should be amended to empower Federal Parliament to enact unemployment insurance legislation. Would like to peruse Bill before submitted to Parliament.
	Ack. by Mr. King dated Nov. 17th.	Expect to communicate later, submitting draft of proposed amendment.
Prince Edward Island (Hon. T.A. Campbell)	Ack. by Mr. Campbell, dated Nov. 13th.	Agreeable to amendment being made to B.N.A. Act, empowering Parliament of Canada to enact unemployment insurance legislation.

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Saskatchewan (Hon. W.J. Patterson)	Ack. by Mr. Patterson dated Nov. 16th	Signifying his co-operation re amendment to B.N.A. Act.
Alberta (Hon. Wm. Aberhart)	Ack. by Mr. Aberhart, dated Nov. 18th.	States definitely favor anything beneficial to workmen. Before agreeing to amendment requests further information.
	Reply sent by Mr. King, dated Nov.23rd.	Govt. realizes that many important details will require careful consideration. First essential stage amendment B.N.A. Act. Intention of Parliament to prepare and submit to each Province for their observation, draft of essential constitutional amendment.
	Ack. by Mr. Aberhart, dated Dec. 7th	Cannot agree to give blanket acceptance to important constitutional changes. Would consider any suggestions.

C151131

OFFICE OF THE PRIME [redacted] Office

MEMORANDUM

December 7th, 1937.

K-125
Vol. 1

For Mr. King:

-- Attached is a copy of a telegram, received this afternoon, from Premier Aberhart. Mr. Lapointe believes that the construction which should be placed upon it is that, while he will not in advance agree to acceptance in general of the amendment, Mr. Aberhart is prepared to consider the specific amendment when drafted. He is of the opinion no reply is required until the draft amendment is sent to all the Premiers. On Mr. Lapointe's instructions, Mr. Edwards already has in hand the preparation of the proposed amendment.

E. A. P.

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C151132

COPY

CANADIAN NATIONAL TELEGRAM

MOA 143 23 DL
1 EXTRA RUSH

Edmonton, Alta. 7 1147A

Right Hon. William Lyon Mackenzie King
Prime Minister of Canada,
Ottawa, Ont.

Re your telegram Unemployment Insurance Alberta Government cannot agree to give blanket acceptance to important constitutional changes (stop) Would consider any suggestions.

William Aberhart
Premier of Alberta.

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Col - Unemployment Insurance

[redacted]

Summary of Correspondence with the Premiers of the Provinces re Unemployment Insurance, 1937-1938. C151133

On November 5, 1937, the Prime Minister wrote to the Premiers of all the Provinces to enquire whether the government would be agreeable to an amendment being made to the British North America Act empowering the Federal Parliament to enact unemployment insurance legislation.

The Premiers of British Columbia, Manitoba, Nova Scotia, Ontario, Prince Edward Island and Saskatchewan replied that the governments of their respective provinces were agreeable to such an amendment.

The Premierof Alberta at first took the view that the provincial government could not agree to an amendment without having specific details regarding the unemployment insurance scheme. Subsequently he agreed that the proposed amendment would be submitted to the Legislature. No official communication was ever received as to the result of the submission to the Legislature, although it was reported in the press that a resolution opposing any amendment to the British North America Act at the present time had been adopted by the Legislature.

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The Premier of New Brunswick at first stated that the proposal must be studied; subsequently he agreed to submit it to the Legislature for decision; and, finally, he transmitted a copy of a resolution adopted by the Legislature urging the Federal Government to defer the matter until the Report of the Royal Commission on Dominion-Provincial Relations was available.

The Premier of Quebec expressed willingness to co-operate in a sound and fair system of unemployment insurance, but, without mentioning any amendment, made references to our full autonomy and decided opposition to "legislative union". In reply the Prime Minister thanked him for his willingness to co-operate, but developed the argument for a national scheme of unemployment insurance. In a second letter, the Premier of Quebec returned to the suggestion of concurrent legislation and stated that the Province of Quebec considered it was "much safer to preserve the stability of the Constitution". He did not acknowledge the draft amendment which was submitted to all the provincial governments by the Prime Minister on January 20, 1938.

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As the same governments are in power in all six provinces which concurred in the proposal to amend the British North America Act it may be assured that their concurrence still stands.

The resolution of the Alberta Legislature merely opposed amendment "at the present time". It is conceivable that an appeal based on the changed circumstances of war-time might meet with a more favourable response.

The resolution of the New Brunswick Legislature suggested deferring the matter until the report of the Sirois Commission was being considered. It might be argued that the war would certainly delay the consideration of the report, and that the need of preparing for post-war conditions was urgent.

The political situation in Quebec was changed completely. Certain utterances by Mr. Godbout during the recent election campaign would suggest that a different response might now be forthcoming from that province.

It would, presumably, not be possible to enact legislation, under war-time authority, which would

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be considered constitutional in time of peace. If this assumption is correct it will still be necessary to seek an amendment to the British North America Act, before unemployment insurance legislation can be enacted.

It is suggested that no formal approach be made to any of the three provinces unless it has

(a) either been learned privately that all three will agree

(b) or Council has decided to proceed with an address for an amendment even if one, at least, of the provinces should fail to concur.

Obviously a formal approach to the provinces would not remain confidential. The failure of a second attempt by the government to establish unemployment insurance would have an unfortunate political effect.

J. W. P.

JWP/G

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[redacted] C151137

Copy of

Proposed Amendment to B.N.A. Act

sent to each Premier.

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Unemployment Insurance

Correspondence with the Provinces

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[redacted]

P.M.'S LETTER

Prime Minister's Letter

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COPY

Ottawa, January 20, 1938.

My dear Premier:

With reference to our previous correspondence, I send to you, herewith, the text of the Address to His Majesty, which it is proposed to submit to both Houses of Parliament, with respect to an amendment to the British North America Act, empowering the Parliament of Canada to enact unemployment insurance legislation.

I should much appreciate receiving, at your early convenience, the observations of the government of _____ with respect to the proposed amendment.

Yours sincerely,

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To The King's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the ..... Commons of Canada in Parliament assembled, humbly approach Your Majesty praying that you may graciously be pleased to give your consent to submitting a bill to the Parliament of the United Kingdom of Great Britain and Northern Ireland to amend the British North America Act, 1867, and that such bill be expressed as follows:

An Act to amend the provisions of the British North America Act, 1867, relating to unemployment insurance.

WHEREAS the Senate and Commons of Canada in Parliament assembled have submitted an Address to His Majesty praying that His Majesty may graciously be pleased to give his consent to the submission of a bill to the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the King's most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal, in this present Parliament assembled, and by the authority of the same, as follows:-

1.- Section ninety-one of the British North America Act, 1867, is amended by adding thereto as class 2A the following:-

"2A. Unemployment Insurance."

2.- This Act may be cited as the British North America Act, 1938, and the British North America Acts 1867 to 1930, the British North America Act, 1907, and this Act may be cited together as the British North America Acts 1867 to 1938.

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(COPY)

C151142

Ottawa, November 5, 1937.

My dear Premier:

My colleagues and I are convinced that a national system of unemployment insurance would contribute materially to individual security and industrial stability throughout Canada, and would assist in mitigating the distress incident to any recurrence of widespread unemployment.

A strong recommendation with respect to national control of employment offices, based upon a full investigation of the unemployment situation throughout the Dominion, has been submitted to the government by the National Employment Commission. We share the opinion that a national employment service within federal jurisdiction is a necessary complement of any plan of national unemployment insurance.

We believe it is most desirable that legislation establishing a national system of unemployment insurance and of public employment offices should be enacted. Should it be possible to obtain the co-operation of the governments of the several Provinces toward this end, we are prepared, at the next session of Parliament, to introduce the necessary measures.

You will recall that on January the 28th of this year, the Judicial Committee of the Privy Council gave a negative opinion upon a reference as to whether the Parliament of Canada had jurisdiction to enact the Employment and Social Insurance Act, 1935. Close attention has since been given, by officials of the Dominion government, to the

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resulting situation. We have also had the benefit of the counsel and advice of a member of the staff of the International Labour Office, who is familiar with existing systems of unemployment insurance, and who has been placed at the disposal of the government for purposes of consultation by the International Labour Office.

It appears to be the general consensus of view that unemployment insurance, if it is to be effectively carried out, should be national in scope. In view, however, of the limited jurisdiction of the Parliament of Canada, an amendment to the Constitution would seem to be a necessary preliminary to the establishment of a national system.

In these circumstances, I am writing to the Premiers of the several Provinces to enquire whether their governments would be agreeable to an amendment being made to the British North America Act empowering the Federal Parliament to enact unemployment insurance legislation. I should be obliged if, at your early convenience, you would kindly advise me of the views of the government of _____.

Yours sincerely,

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EXTRACT
SUMMARY

Summary of extracts

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UNEMPLOYMENT INSURANCE

Summary of Correspondence with Provinces

re Amendment to B.N.A. Act

Nov. 5, 1937. P.M. made proposal to premiers

Jan. 20, 1937. Draft amendment forwarded to premiers

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UNEMPLOYMENT INSURANCE

Proposal to provinces re constitutional amendment

Summary of replies to P.M's letter of Nov. 5, 1937.

Alberta:

Mr. Aberhart replied November 18th: with refusal to agree to amendment without specific details regarding the unemployment insurance scheme, about which he asked a number of questions.

P.M. replied November 23rd: pointed out that first essential was to secure constitutional power for Parliament to proceed. Undertook to submit draft amendment to provinces. Made it clear that unemployment insurance scheme itself would be discussed in Parliament.

Mr. Aberhart replied December 7th: Alberta Government cannot agree to give blanket acceptance to important constitutional changes. They would consider any suggestions.

Mr. Aberhart acknowledged the draftamendment on February 3, 1938:

Announced intention of submitting question of amendment to the Legislature shortly after

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February 10th.

Submitted a series of questions which he felt should be answered in order to justify the request of the Federal Government.

Pointed out that Alberta needed crop insurance.

P.M. replied on March 2, 1938.

Pointed out amendment necessary for national scheme of unemployment insurance.

Explained there was no real analogy with old age pensions arrangement.

Justified contributory basis of scheme.

Discussed benefit to agriculture - agricultural problem a separate one.

Thanks for assurance of fair presentation to Legislature.

Mr. Aberhart acknowledged the Prime Minister's letter of March 2nd on March 15th. Advised that matter would be taken up in the Legislature in the immediate future.

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According to reports in the press, the Legislature adopted a resolution opposing any amendment to the B. N. A. Act at the present time.

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British Columbia:

Mr. Pattullo replied November 11th: Government of British Columbia in accord with proposal that B.N.A. Act be amended. Would like to see proposed insurance bill before its introduction in Parliament.

Prime Minister replied November 17th: Thanking British Columbia government for co-operation, and stating intention of submitting draft amendment to provinces.

Mr. Pattullo acknowledged the draft amendment on January 26th:

Understands some provinces will want to know the nature of Unemployment Insurance Scheme, "as soon as amendment has been made to the B.N.A. Act".

Repeats his previous request (Nov. 11) to see the Bill before it is submitted to Parliament.

The Clerk of the Legislative Assembly forwarded on February 7th a copy of a

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Resolution passed on December 9th by the Legislature in favour of giving the Dominion Parliament power by amendment to B.N.A. Act to enact unemployment insurance scheme.

P.M. replied on March 2, 1938. Thanked him for resolution of Legislature. Pointed out Unemployment Insurance Bill could not be communicated until introduced in Parliament. Would be made available then.

Mr. Pattullo wrote on March 8th, 1938. Suggested it would not violate constitutional usage if he could be advised of the suggestions of the Government prior to the introduction of the bill. Pointed to advantage of getting as many expressions of opinion as possible before legislation introduced.

Prime Minister replied March 16th. Suggested discussion of point which interested provinces generally during Mr. Pattullo's forthcoming visit to Ottawa.

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Manitoba

C151151

Mr. Bracken replied November 10th:
Congratulations. Manitoba government gladly agrees to amendment.

Acknowledged by P.M. on November 16th.

Mr. Bracken acknowledged the draft amendment on January 27th:

Manitoba offers no objection. Would like to see details of proposed measure. Assume no financial obligation to be placed on provinces.

P. M. replied on March 2, 1938.

Gratified Manitoba had no objection to terms of amendment.

Pointed out Unemployment Insurance Bill could not be communicated, until introduced in Parliament. Would be made available then. Added that scheme would not impose any financial burden on provinces.

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New Brunswick:

Mr. Dysart replied November 13th: Government giving matter consideration.

Acknowledged by P.M. November 22nd.

Mr. Dysart replied further November 25th: Appreciates sincerity of ultimate objective to improve social security, but the question of amendment to B.N.A. Act must be submitted to the Legislature and it is desired to submit it in definite form.

Mr. Lapointe replied December 3rd: Draft amendment to be submitted to all the provinces.

Mr. Dysart wrote on April 23rd that a resolution had recently been passed by N.B. Legislature urging Government to postpone action to amend B.N.A. Act until Rowell Commission report received and a general re-allocation of powers could be made. Text of resolution dated April 14th also received.

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Nova Scotia:

Mr. Macdonald replied November 24th: The view of the Provincial Cabinet is that they have no objection to such an amendment being made. Unemployment insurance, to be effective and equitable, must be national.

Acknowledged by P.M. on November 27th.

Mr. Macdonald acknowledged the draft amendment on February 14th:
He repeated previous assurance that Nova Scotia Government had no objection to the proposed amendment, and pointed to the Provincial submission to the Rowell Commission (copy of pertinent section being attached.)

Pointed out that highly industrialized provinces would benefit more from unemployment insurance than Nova Scotia. Feared it might constitute a further charge upon primary producers. Also notes opposition of industrialists to additional charges. Adds opinion that to be effective unemployment insurance ought to be national in scope.

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P. M. replied on March 2, 1938.

Gratified Nova Scotia had no objection to terms of amendment. Agreed Unemployment Insurance would leave many problems unsolved. Pointed out desirability of having Rowell report before a complete settlement attempted.

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[redacted]

Ontario:

Mr. Hepburn replied November 25th:
"I am pleased to inform you that the Government of the Province of Ontario is prepared to waive any constitutional objections and to give the fullest measure of co-operation and support to the proposed amendments to the British North America Act, empowering the Federal Government to enact unemployment insurance legislation."

Would like to see bill, when printed.
Acknowledged by P. M. November 27th.

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UNEMPLOYMENT INSURANCE

Summary of attitudes taken by Mr. Hepburn

1937

Nov. 25th. Letter to Prime Minister announcing that Ontario Government is prepared to waive constitutional objections and give full co-operation to proposed amendments to B.N.A. Act.

Dec. 17th. Canadian press report in the Montreal Gazette (following Montreal conference between Messrs. Hepburn and Duplessis):

> On one question, however, Mr. Hepburn said he was in agreement with Mr. King. That was revision of the British North America Act to permit Dominion-wide unemployment insurance measures.
>
> "I have not altered my position on that matter", he said.

1938

Jan. 11th. Interview with Mr. Hepburn reported in the Toronto Star:

> "I am agreed in principle," Mr. Hepburn stated, "but Ontario is reserving the right to accept or reject details of the federal unemployment insurance plan and any B.N.A. Act revisions proposed by the Dominion to bring about such legislation. I do not intend to give the federal authorities a blank cheque either for the B.N.A. Act revision contemplated in this regard or details of the unemployment insurance measure. We want to know exactly what is contemplated. When I get that information I will state Ontario's position on details."

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"I am not reneging on our earlier assurance to Premier King, despite any position assumed by Premier Duplessis, but Ontario must retain the right to be consulted on the proposed B.N.A.Act revisions and the unemployment insurance act and to accept or reject any phase of it that does not meet with our views."

Jan.21st. Extract from the Toronto Telegram:

"Ontario is prepared to waive its constitutional objections and give the fullest support and co-operation to the proposed amendments to the British North America Act, empowering the Federal Government to enact unemployment insurance legislation."

Such was the message sent to members of the Toronto District Labor Council by Premier Mitchell Hepburn last night by letter.

(This quotation is taken directly from Mr. Hepburn's letter of November 25th to the Prime Minister.)

April 7th. Extract from the report in the Globe and Mail of April 8, 1938, of the debate on the Ontario Legislature on the motion of censure on the Hepburn Government for failure to enact unemployment insurance:

The Premier again emphasized that Mr. McBride had been instructed to prepare legislation for this present session. He said the Ottawa Government had clearly indicated its intention of doing something.

"The Premier is an astute politician and must know what is going on at Ottawa. Why not call a spade a spade? Don't you know nothing is going to be done in Ottawa this

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year about unemployment insurance?" asked the Opposition Leader.

"No, I don't. I only know that a Government usually carries out what is indicated in the Speech from the Throne," replied the Premier. He pointed out this pledge was definitely made in the Ottawa Throne Speech.

May 2nd. Extract from Mr. Hepburn's submission to the Rowell Commission (as reproduced by the Globe and Mail on May 3, 1938).

.....When the Prime Minister of Canada wrote stating that the Federal Government was ready to provide that service I promptly promised the co-operation of this Province because the matter had been so recently discussed with the people; but subsequent events have led me to consider the matter may be better left with the Provinces; for no sooner had the matter been talked about than the capitalized wheat-growing interests of the West began a drive for crop insurance. Frankly, Mr. Chairman, I am not today prepared to express dogmatic views on this phase of the subject. It may be in a country with Canada's economic diversities. "Federal codes" are impracticable.

May 4th. Extract from a Canadian Press despatch (as reproduced by the Ottawa Evening Journal on May 4th, 1938):

Premier Hepburn said today that if Prime Minister King failed to take action on unemployment insurance at the present session of Parliament, or if any bill he proposed was unacceptable to Ontario, an unemployment insurance plan will be presented to the next session of the Legislature.

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"We certainly will not endorse a federal bill we have not seen", the Premier declared. "And I am losing hope that anything is to be done at the present sitting of Parliament.

"But we won't make any move until we see what Ottawa does at this session", he said. "If nothing is done then we will present our bill at our next session."

JWP/G

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Prince Edward Island:

Mr. Campbell replied November 13th: Government of Prince Edward Island agreeable to an amendment. Attached copy of Minute-in-Council.

Acknowledged by P.M. November 22nd.

Mr. Campbell acknowledged the draft amendment on January 27th:

Address fully covers desired amendment and meets approval of provincial Government. Does not consider proposed legislation concerns provinces as such.

P. M. replied on March 2, 1938.

Gratified Prince Edward Island satisfied with terms of amendment.

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Quebec:

Mr. Duplessis replied November 22nd: Province of Quebec happy to co-operate in a sound and fair scheme of unemployment insurance.

Constitution guarantees full autonomy of Quebec which his government would do nothing to destroy.

"Quebec is in favour of collaboration and co-operation but is firmly and decidedly against legislative union".

Suggests concurring or enabling legislation by the provinces.

Introduced irrelevant question of unemployment works programme.

P.M. replied November 26th: Thanks for offer of co-operation. Rejects suggestion of concurring or enabling legislation. First essential step in plan of government is the amendment to give power to Dominion Parliament. Promises to submit draft. Disposes of irrelevant suggestions. Notes national

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demand for national unemployment insurance and asks Quebec to endorse principle of giving Dominion Parliament necessary constitutional authority.

Mr. Duplessis replied December 30th: Notes view of P.M. that enabling or concurring legislation would not be satisfactory, and cites old age pensions as a case where it was. Points out that Dominion Parliament might, if it secured jurisdiction, change the scheme every year; in other words, Dominion jurisdiction is no guarantee of stability.

"The Government of the Province of Quebec considers that the best elements of stability and certainty are within the British North America Act and that it is much safer to preserve the stability of the constitution". Reiterates willingness of Province of Quebec to co-operate in sound and fair system, with national scope, "without infringing upon the rights and autonomy of the Provinces".

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Saskatchewan:

Mr. Patterson replied on November 10th: Government of Saskatchewan is agreeable to an amendment empowering Federal Government to act. Unemployment insurance would affect few people in Saskatchewan. It might stimulate demand for crop insurance. This not mentioned as a reservation upon agreement of Saskatchewan but merely as a likely result.

Acknowledged by P.M. November 16th.

Draft amendment forwarded to Province on January 20th, 1938.

Mr. Patterson acknowledged the draft amendment on January 26th:

Government satisfied with proposal and approves it.

P. M. replied on March 2, 1938.

Gratified Saskatchewan satisfied with terms of amendment.

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ALTA.

ALBERTA

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C151165

[redacted]

UNEMPLOYMENT INSURANCE

Copy of Resolution adopted by Alberta Legislature

(as reproduced in the Edmonton Journal
April 6, 1938)

"Whereas the government of Canada has requested the government of Alberta to concur in the amendment to the B.N.A. act for purposes of introducing a federal unemployment insurance scheme; and

"Whereas the government of Alberta now submits the said request of the dominion government to this assembly; therefore be it

"Resolved that in the opinion of this assembly

"(a) The introduction of an unemployment insurance scheme does not require an amendment to the B.N.A. act; and

"(b) This sovereign legislature of Alberta cannot agree to any amendment of the B.N.A. act until the present unsatisfactory constitutional situation in the dominion has been cleared up to the entire satisfaction of all provinces."

[Resolution adopted on April 7, 1938.]

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C151166

COPY

OFFICE OF THE PREMIER
Alberta

EDMONTON,

March 15, 1938.

Dear Sir:

I beg to acknowledge the receipt of your communication of March 2nd respecting a national scheme of Unemployment Insurance.

May I advise that this matter will be taken up before the Alberta Legislative Assembly in the immediate future.

Yours truly,

"Wm. Aberhart"

PREMIER

The Right Honourable William Lyon MacKenzie King,
Prime Minister of Canada,
Ottawa.

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COPY [redacted]

Ottawa, March 2, 1938.

Honourable William Aberhart, M.L.A.,
Premier of Alberta,
Edmonton, Alberta.

My dear Premier:

I wish to acknowledge your letter of February the 3rd, with reference to the proposed amendment to the British North America Act, in which you state that it is the intention of your government to submit the draft amendment to the Legislature of Alberta.

With regard to the question raised in your letter, as to whether it is absolutely necessary to amend the British North America Act as a preliminary step to setting up a national scheme of unemployment insurance, I may say that this question was given most careful consideration by the Department of Justice. The conclusion reached was that there could be no room for doubt, as already indicated in my letter of November the 5th last, that the transfer of legislative jurisdiction from the provincial to the federal field of authority, is a necessary preliminary to the establishment of a national system of unemployment insurance.

It is true that the old age pensions scheme was based on agreements between the Dominion and the Provinces involving both federal and provincial legislation. This scheme, however, did not provide for contributions on the part of either employers or workers. Insofar as the Parliament of Canada was concerned, it required legislation only to re-imburse the provinces in part for the amount

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of old age pensions paid out by them. Moreover, the administration of a national system of unemployment insurance assisted by the federal treasury, and involving no disbursement of provincial funds, must, of necessity, be entrusted to the federal authorities.

It should perhaps be added that the Old Age Pensions Act was passed in 1927, but that the scheme did not come into operation in all the provinces for nine years, and that the provinces are still constitutionally at liberty to withdraw from the scheme. It is difficult to envisage a workable national scheme of unemployment insurance, which was not put into effect simultaneously in all the provinces, or from which an individual province was able to withdraw.

With regard to the question raised in your letter as to why workers should make contributions for unemployment insurance, I might point out that a contributory scheme of unemployment insurance has been urged upon the government by the accredited representatives of organized labour from all parts of Canada, including the Province of Alberta, where there has already been considerable industrial development, the future possibilities of which cannot be foretold. It should be added that the representatives of labour understand fully that a scheme of contributory unemployment insurance will involve deductions from their wages, which might perhaps be described as a tax, but that they are quite prepared to make these contributions in order to achieve the sense of security which insurance against unemployment would give them.

Your letter also raises the question as to the benefit which those engaged in agriculture would derive from unemployment insurance. It is true that

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the benefit would not be direct, but the greater security, which would result in industry from unemployment insurance, would be reflected in a steadier and probably a larger market for agricultural products. You will agree with me, I have no doubt, that the Dominion Government should not abandon its effort to alleviate the grievous human suffering which results from industrial unemployment, merely because there are other serious problems, such as the problem of agricultural distress, which require separate treatment. The measures which the Dominion government have already taken to meet the great distress in agriculture, particularly in Western Canada, are conclusive evidence that they are thoroughly aware of the magnitude of the agricultural problem. While constant and earnest consideration is being given to measures designed to stimulate recovery and restore prosperity in agriculture, it is also essential for the government to endeavour to deal with other serious national problems.

In conclusion, I wish to thank you for the assurance, contained in your letter, that your government intend to put the proposal of the Dominion government fairly before the Legislature of Alberta.

Yours sincerely,

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COPY

[redacted]

Office of the Premier
Alberta

Edmonton,
February 3, 1938.

My dear Prime Minister:

Your letter of January the 20th has received the most careful consideration of the Cabinet here, and the conclusions we have reached are as follows:

(a) The British North America Act is the fundamental basis upon which the PEOPLE of each province are agreed to act in sovereignty, and in association, so every care must be exercised to learn as exactly as possible their will regarding the alterations suggested.

(b) We therefore intend submitting the matter of unemployment insurance to our legislature as soon as possible after they meet on February 10th next, and will advise you what they tell us regarding the will of their constituents.

In the meantime it would greatly assist the Cabinet here in their representations to the legislature concerning your proposals, if you would give it the following information:

1. Is it absolutely certain that any alteration of the British North America Act is necessary? Legislation regarding Old Age Pensions would seem to have beenna case on a par with your present proposals for unemployment insurance, and no such alteration as now contemplated seemed necessary then.

2. We shall, we know, be asked by a majority of the members of our legislature:

   (a) Why should we not enable a pportion of the product of the machines to reach the men they displace without penalizing the workers?

   (b) Why should this legislature not be allowed at least to attempt to do so since no other government body seems to be willing to try?

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(c) Why should we tax the workers into a state of indigence today, only to hasten with mathematical progression entry into an even worse and more general indigence tomorrow? That there is potential plenty for all is not doubted by any informed person.

(d) Until we are producing all we can of what we want, why should we countenance exactions from the workers' already insufficient wages, when it is certain that simultaneous taxation of employers must lead to price increases?

(e) Why should the farmers and the agricultural workers of a province like Alberta who are unlikely to benefit by unemployment insurance be called upon to sustain through increased taxation, and higher living and operating costs, the disproportionate number of unemployed industrial workers in other provinces?

What we need in Alberta is crop insurance.

If your Cabinet, or any of your advisers on legal, financial or economic matters would be good enough to send us what they suggest would be satisfactory answers to these questions, we promise you to see that they are put fairly in reply to the questions which we, with certainty, anticipate.

We hope to hear from you at an early date with any clarification you can offer us, in order that your case for unemployment insurance may be fully and reasonably understood.

Yours truly,

"William Aberhart"

PREMIER.

Rt. Hon. Wm. Lyon Mackenzie King,
Prime Minister of Canada,
Ottawa, Ontario.

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C151172

Ottawa, January 20, 1938.

Honourable William Aberhart, M.L.A.,
Premier of Alberta,
Edmonton,
Alberta.

My dear Premier:

With reference to our previous correspondence, I send to you, herewith, the text of the Address to His Majesty, which it is proposed to submit to both Houses of Parliament, with respect to an amendment to the British North America Act, empowering the Parliament of Canada to enact unemployment insurance legislation.

I should much appreciate receiving, at your early convenience, the observations of the government of Alberta with respect to the proposed amendment.

Yours sincerely,

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[redacted]

To The King's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the ..... Commons of Canada in Parliament assembled, humbly approach Your Majesty praying that you may graciously be pleased to give your consent to submitting a bill to the Parliament of the United Kingdom of Great Britain and Northern Ireland to amend the British North America Act, 1867, and that such bill be expressed as follows:

An Act to amend the provisions of the British North America Act, 1867, relating to unemployment insurance.

WHEREAS the Senate and Commons of Canada in Parliament assembled have submitted an Address to His Majesty praying that His Majesty may graciously be pleased to give his consent to the submission of a bill to the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the King's most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal, in this present Parliament assembled, and by the authority of the same, as follows:-

1.- Section ninety-one of the British North America Act, 1867, is amended by adding thereto as class 2A the following:-

"2A. Unemployment Insurance."

2.- This Act may be cited as the British North America Act, 1938, and the British North America Acts 1867 to 1930, the British North America Act, 1907, and this Act may be cited together as the British North America Acts 1867 to 1938.

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C151174

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CANADIAN NATIONAL TELEGRAM

MOA 143 23 DL

1 EXTRA RUSH

Edmonton, Alta. 7 1147A

Righ Hon. William Lyon Mackenzie King,
Prime Minister of Canada,
Ottawa, Ont.

Re your telegram Unemployment Insurance Alberta Government cannot agree to give blanket acceptance to important constitutional changes (stop) Would consider any suggestions.

"William Aberhart"
Premier of Alberta.

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Form 6103. T.W.

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DAY LETTER	
NIGHT MESSAGE	
NIGHT LETTER	

PATRONS SHOULD MARK AN X OPPOSITE THE CLASS OF SERVICE DESIRED; OTHERWISE THE MESSAGE WILL BE TRANSMITTED AS A FULL-RATE TELEGRAM

CANADIAN NATIONAL TELEGRAPHS

D. E. GALLOWAY, Assistant Vice-President, Toronto, Ont.

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[redacted] nd the following message, subject to the terms on back hereof, which are hereby agreed to

NIGHT LETTER

Ottawa, November 23, 1937

Hon. William Aberhart,
Premier of Alberta,
Edmonton, Alberta.

Your telegram of November eighteenth received. We realize that many important details will require careful consideration when the stage for the preparation of actual legislation has been reached. Meanwhile, as indicated in my letter of November fifth, the first essential stage is amendment to British North America Act, since it is generally recognized that unemployment insurance, if it is to be effectively carried out, should be national in scope. Such an amendment, being intended simply to grant the necessary powers, would appropriately be general in terms. It is our intention in due course to prepare and submit to each of the Provinces for their observations a draft of this essential constitutional amendment. At the later legislative stage specific details will necessarily require careful consideration and discussion. The procedure of Parliament is such as to afford fully adequate scope for such discussion. It is hoped that the first stage may be facilitated by the endorsation by the Provinces of the principle that the Federal Parliament should be empowered to enact unemployment insurance legislation and that the approach to the later stages may thereby be expedited.

W. L. Mackenzie King

Chg. Prime Minister's Office

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CANADIAN NATIONAL TELEGRAM

31MOFE 177 NL

EDMONTON ALTA 18 NOV 1937

RT HON W L MACKENZIE KING

OTTAWA ONT

Your letter recent date re unemployment insurance received Stop We definitely favor anything beneficial to workmen Stop Before agreeing to amendment B.N.A. Act should like more specific details regarding your proposal Stop One - Will it involve the reduction of net earnings to the extent of workmen's contribution - if not how will this be prevented Stop Two - Is it intended that employers contribution shall be shifted to the consumer, thus raising prices and making the income of the workmen further inadequate. How can this be overcome? Stop Three - Assuming that Federal Government's contribution is to be raised by further taxation, will not this merely redistribute purchasing power without increasing it and put a further tax burden upon all consumers? Stop We would hesitate to support any scheme that proposes shifting a greater portion of unemployment relief costs to the wage earner Stop Four - Alternatively, if your share is to be secured by debt free creation of public credit, why should not the entire amount be provided in this manner without taxing employers or employees or citizens generally?

"William Aberhart" Premier

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C151177

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B.C.

BRITISH COLUMBIA

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C151178

Ottawa, March 16th, 1938.

Honourable T. D. Pattullo, M.L.A.,
Premier of British Columbia,
Victoria,
British Columbia.

My dear Premier:

I wish to acknowledge your letter of March the 8th, regarding unemployment insurance.

It has occurred to me that an occasion might be provided, during the course of your forthcoming visit to Ottawa, for the discussion of the question with which your letter deals, and which, as you will realize, raises a point in which the provinces generally are interested.

Yours sincerely,

JWP/G

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PRIME MINISTER

Province of British Columbia

C151179

VICTORIA

1 9 3 8
Mar. 8th

Right Honourable W. L. Mackenzie King,
Prime Minister of Canada,
O t t a w a, Ont.

Dear Mr. Prime Minister:

I have your letter of March 2nd re unemployment insurance, for which I thank you.

I respectfully suggest that it would not violate constitutional usage if I could be advised of the suggestions of the Government prior to the introduction of the bill, because it might be possible that suggestions would be helpful and save a great deal of criticism after the bill is introduced.

My experience has been that it is advisable to get as many expressions of opinion as possible before legislation is introduced.

With kind regards,

I beg to remain,

Sincerely yours,

"T. D. Pattullo"

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C151180

Copy

Ottawa, March 2, 1938.

Honourable T. D. Pattullo, M.L.A.,
Premier of British Columbia,
Victoria,
British Columbia.

My dear Premier:

I wish to thank you for your letter of January the 26th, in which you acknowledge the copy of the draft of the proposed amendment to the British North America Act, with regard to unemployment insurance. At the same time, I should like to take the opportunity of thanking you for introducing the resolution in support of the proposal of the Dominion government in the Legislature of British Columbia, on December the 9th last, a copy of which was received recently from the Clerk of the Assembly. My colleagues and I appreciate the sympathetic consideration which your government has given to the proposal that the authority to enact unemployment insurance legislation should be vested in the Parliament of Canada.

As soon as the necessary authority has been vested in Parliament, it is the intention of the government to introduce the unemployment insurance measure immediately. You will, I feel sure, appreciate that it would not be in accordance with constitutional usage for the Dominion government to submit the proposed legislation to the provinces before it has been introduced in Parliament. Parliament will, of course, have to assume the sole responsibility for the unemployment insurance legislation which it is proposed to enact when the necessary jurisdiction has been secured, but the government will welcome from the provinces, as well as from other interested bodies, any representations which they may wish to make. I shall, accordingly, make a copy of the Bill available to you as soon as it has been introduced.

Yours sincerely,

(sgd) W.L.Mackenzie King.

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OFFICE OF THE PRIME MINISTER

CANADA

Ottawa, February 12, 1938.

Major W. H. Langley,
Clerk of the Legislative Assembly
of British Columbia,
Victoria, B.C.

Dear Sir:

I have been directed by the Prime Minister to acknowledge your letter of February the 7th, in which you transmit a copy of the Resolution passed by the Legislative Assembly of British Columbia, on December the 9th last, expressing the approval by the Legislature of the proposal to have the British North America Act amended in order to establish the authority of the Dominion Parliament to enact unemployment insurance.

Yours faithfully,

(Sgd.) H. R. L. Henry,
Private Secretary.

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C151182

LEGISLATIVE ASSEMBLY
Province of
British Columbia
--

VICTORIA

THE CLERK

February 7, 1938.

The Right Honourable W. L. Mackenzie King,
Prime Minister,
Ottawa.

Sir:

By direction of Mr. Speaker, I have the honour to inform you that the following Resolution was passed by the Legislative Assembly upon 9th December last:

"The Hon. Mr. Pattullo moved, seconded by the Hon. Mr. MacPherson, -

Whereas the Dominion Government has indicated its desire to establish a national system of unemployment insurance; and

Whereas under a decision of the Judicial Committee of the Privy Council the Dominion Parliament would appear to have very limited jurisdiction to enact a comprehensive measure of national unemployment insurance:

Therefore be it Resolved, That it is the opinion of this House that amendment should be made to the 'British North America Act' in order to establish beyond question the authority of the Dominion Parliament effectually to enact a national scheme of unemployment insurance.

Be it further Resolved, That a copy of this Resolution be forwarded to the Prime Minister of Canada and to the Dominion Secretary of State."

I have the honour to be,
Sir,
Your obedient servant,

W. H. LANGLEY (Signed)
Clerk Legislative Assembly.

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C151183

COPY

PRIME MINISTER

Province of British Columbia

VICTORIA

1 9 3 8
Jan. 26th

Right Honourable W. L. Mackenzie King,
Prime Minister of Canada,
O t t a w a, O n t.

Dear Mr. Prime Minister:

I wish to thank you for your letter of January 20th, enclosing copy of request to His Majesty the King that amendment be made to the British North America Act, with regard to Unemployment Insurance.

From dispatches in the press from time to time, I imagine that some of the Provinces will want to know the nature of the Unemployment Insurance which it is proposed to put into effect, as soon as amendment has been made to the B.N.A. Act.

In my letter of November 11th, I made request that before any Bill is submitted to the Dominion Parliament under the proposed amendment, our Province should have the opportunity to peruse it, and I assume that it is your intention to pursue this course.

I beg to remain,

Very faithfully yours,

"T. D. Pattullo"

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C151184

Ottawa, January 20, 1938.

Honourable T.D. Pattullo, M.L.A.,
Premier of British Columbia,
Victoria,
British Columbia.

My dear Premier:

With reference to our previous correspondence, I send to you, herewith, the text of the Address to His Majesty, which it is proposed to submit to both Houses of Parliament, with respect to an amendment to the British North America Act, empowering the Parliament of Canada to enact unemployment insurance legislation.

I should much appreciate receiving, at your early convenience, the observations of the government of British Columbia with respect to the proposed amendment.

Yours sincerely,

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C151185

COPY

Prime Minister's Office
Canada

Ottawa, November 17, 1937.

My dear Premier,

I am very glad to have your letter of November 11 saying that the Government of British Columbia is in accord with our proposal that the British North America Act should be amended in order to empower the Federal Parliament to enact unemployment insurance legislation. This co-operation is much appreciated.

As regards your last paragraph, I shall expect to communicate with you later, as it is our intention in due course to submit a draft of the proposed amendment to the Government of each of the Provinces.

Yours very sincerely,

"W. L. Mackenzie King"

The Hon. T. D. Pattullo, M.L.A.,
Premier of British Columbia,
Victoria, B. C.

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C151186

COPY

PRIME MINISTER

Province of
British Columbia

VICTORIA

1937
Nov. 11th

Right Honourable W. L. Mackenzie King,
Prime Minister of Canada,
O t t a w a, Ont.

Dear Mr. Prime Minister:

I have your letter of November 5th, with regard to a national system of unemployment insurance.

In reply I may say that the Government of British Columbia is in accord with your proposal that the British North America Act should be amended in order to empower the Federal Parliament to enact unemployment insurance legislation.

I would like to suggest that before a bill is submitted to Parliament under the proposed amendment, the Province should have an opportunity to peruse it.

I beg to remain,

Yours very sincerely,

"T. D. Pattullo"

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C151187

[redacted]

MAN.

MANITOBA

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COPY [redacted]

C151188

Ottawa, March 2, 1938.

Honourable John Bracken, M.L.A.,
Premier of Manitoba,
Winnipeg,
Manitoba.

My dear Premier:

I wish to thank you for your letter of January the 27th, in which you acknowledge the copy of the draft of the proposed amendment to the British North America Act, with regard to unemployment insurance. My colleagues and I are gratified that the government of Manitoba has no objection to the terms of the proposed amendment, and we appreciate the sympathetic consideration, which has been given to the proposal that the authority to enact unemployment insurance legislation should be vested in the Parliament of Canada.

As soon as the necessary authority has been vested in Parliament, it is the intention of the government to introduce the unemployment insurance measure immediately. You will, I feel sure, appreciate that it would not be in accordance with constitutional usage for the Dominion government to submit the proposed legislation to the provinces before it has been introduced in Parliament. Parliament, will, of course, have to assume the sole responsibility for the unemployment insurance legislation which it is proposed to enact when the necessary jurisdiction has been secured, but the government will welcome from the provinces, as well as from other interested bodies, any representations which they may wish to make. I shall, accordingly, make a copy of the Bill available to you as soon as it has been introduced.

I should like to make it clear that the

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legislation, which the Dominion Government has in mind, does not contemplate imposing any financial obligation upon the provinces; on the contrary, its effect would be to relieve the provinces of a part of the financial burden which they are bearing at the present time.

Yours sincerely,

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COPY

PROVINCE OF MANITOBA

Office of the Premier

Winnipeg

C151190

January 27, 1938.

Right Honourable W. L. Mackenzie King,
Prime Minister,
Ottawa, Ontario.

Dear Mr. Premier:

I beg to acknowledge receipt of your communication of the 20th instant, enclosing the text of the Address to His Majesty, which it is proposed to submit to both Houses of Parliament, with respect to an amendment to the British North America Act respecting Unemployment Insurance.

In reply to your request for our observations with respect to the proposed amendment, I may say that we will offer no objection to the Dominion Government asking for this amendment in order that it may have the power to proceed with Unemployment Insurance as a Federal responsibility.

In regard to the legislation which the Dominion will introduce should the proposed amendment to the British North America Act be passed, we would respectfully request that we be advised of the details of the proposed measure at your earliest convenience. We are assuming that no financial obligation will be expected to be assumed by any of the provinces.

Yours very truly,

"John Bracken"

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C151191

COPY

Ottawa, November 16, 1937

My dear Premier:

I am very glad to have, through your letter of November 10, the assurance that the Government of Manitoba are ready to co-operate in having the British North America Act amended so as to empower the Federal Government to enact the legislation necessary to establish a national system of unemployment insurance. I also appreciate warmly the terms in which you have expressed your belief in the value of the project itself.

Yours very sincerely,

"W. L. Mackenzie King"

The Honourable John Bracken, M.L.A.,
Premier of Manitoba,
Winnipeg, Manitoba.

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C151192

[redacted]

Ottawa, January 20th, 1938.

Honourable John Bracken, M.L.A.,
Premier of Manitoba,
Winnipeg,
Manitoba.

My dear Premier:

With reference to our previous correspondence, I send to you, herewith, the text of the Address to His Majesty, which it is proposed to submit to both Houses of Parliament, with respect to an amendment to the British North America Act, empowering the Parliament of Canada to enact unemployment insurance legislation.

I should much appreciate receiving, at your early convenience, the observations of the government of Manitoba with respect to the proposed amendment.

Yours sincerely,

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C151193

COPY

Office of the Premier
Winnipeg

10th November, 1937.

The Right Hon. W. L. Mackenzie King, C.M.G., P.C.,
Prime Minister of Canada,
OTTAWA, Canada.

Dear Mr. Prime Minister:

I have to acknowledge receipt of your letter of the 5th instant, in which you state that your government has decided to introduce legislation providing for a federal scheme of unemployment insurance, providing the co-operation of the provinces can be obtained.

First may I offer congratulations to you and your colleagues on the decision reached in this regard. Undoubtedly, such a course will be of great assistance in meeting any situation that might arise in the future should we be so unfortunate as to experience another nation-wide period of unemployment as that from which we are now emerging.

On behalf of the government of the province, I may say that we shall be very glad to co-operate with your government in having an amendment made to the B.N.A. Act which will empower the federal government to enact the legislation necessary to establish a national system of unemployment insurance.

Yours very truly,

"John Bracken"

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NEW BRUNSWICK

N.B.

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COPY [redacted] C151195

The Government of
the Province of
New Brunswick

The Premier

Fredericton

April 23rd.,
19 38

My dear Mr. Prime Minister:

Under separate cover I am forwarding you the resolution unanimously adopted by this House a few days ago respecting matter of Unemployment Insurance.

Having in mind the expressed attitude of several of the Provinces respecting this very important question, I believe that our course has merit.

I can hardly explain the unintentional oversight regarding your communication of the 20th of January last, but beg you to believe me when I say that it was definitely unintentional. Possibly we might have brought the Resolution to the House earlier but, having had a number of important pieces of Legislation on this year, kept us unusually busy with caucuses and whatnot.

We are looking forward to the forthcoming session of the Rowell Commission and believe that our presentation will be found to be both reasonable and, shall I say, logical.

With the findings of the Commission before us, there ought to be no insurmountable difficulty in our endeavour to see the others point of view.

With cordial good wishes, I am

Sincerely yours,

"A. A. Dysart"

-Premier-

AAD:RT

Rt. Honourable W. L. MacKenzie King
Prime Minister of Canada
Ottawa, Canada.

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RESOLUTION

(Legislature Province of New Brunswick, April 14, 1938)

RESPECTING PROPOSAL TO AMEND BRITISH NORTH AMERICA ACT 1867

RE:

UNEMPLOYMENT INSURANCE

WHEREAS by an Order of the Privy Council of Canada dated the 14th day of August, 1937, a Royal Commission was appointed for the purpose, as therein stated, of providing "for a re-examination of the economic and financial basis of Confederation and of the distribution of legislative powers in the light of the economic and social developments of the last seventy years" and by the said Order particular instructions were given to the Commissioners "to examine the constitutional allocation of revenue sources and governmental burdens to the Dominion and Provincial Governments, the past results of such allocation and its suitability to present conditions and the conditions that are likely to prevail in the future" and the said Commissioners were further directed "to determine the ability of the Dominion and Provincial Governments to discharge their governmental responsibilities within the framework of the present allocation of public functions and powers, or on the basis of some form of re-allocation thereof"; and

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WHEREAS the Commissioners are now conducting their investigations and in due course in accordance with their instructions will apparently "express what in their opinion, subject to the retention of the distribution of legislative powers essential to a proper carrying out of the federal system in harmony with national needs and the promotion of national unity, will best effect a balanced relationship between the financial powers and the obligations and functions of each governing body and conduce to a more efficient, independent and economical discharge of governmental responsibilities in Canada"; and

WHEREAS since the appointment of the said Commissioners the Dominion Government has proposed to the Provinces in Canada that they agree to an amendment of the British North America Act whereby their legislative jurisdiction over unemployment insurance would be transferred to the Parliament of Canada; and

WHEREAS the question of unemployment insurance and the most economical and efficient method of its administration is, as well as social services generally, within the scope of the inquiry being conducted by

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the said Commissioners and in view of the withholding by certain Provinces of their consent to the proposed transfer of jurisdiction no interest would be prejudiced by allowing such question to rest until the said Commissioners shall have completed their investigations and submitted their report.

BE IT THEREFORE RESOLVED that in the opinion of this House the Government of this Province should respectfully urge upon the Government of Canada the advisability of deferring further consideration of the said proposal until the report of the said Commissioners is available, when the whole field of social services and any re-allocation of legislative powers in respect thereof may be given fuller study and consideration in the light of the findings and recommendations of the said Commissioners.

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C151199

Ottawa, January 20, 1938.

Honourable A. A. Dysart, M.L.A.,
Premier of New Brunswick,
Legislative Building,
Fredericton, N.B.

My dear Premier:

With reference to our previous correspondence, I send to you, herewith, the text of the Address to his Majesty, which it is proposed to submit to both Houses of Parliament, with respect to an amendment to the British North American Act, empowering the Parliament of Canada to enact unemployment insurance legislation.

I should much appreciate receiving, at your early convenience, the observations of the government of New Brunswick with respect to the proposed amendment.

Yours sincerely,

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C151200

Office of the Prime Minister
Canada

Ottawa, December 5, 1937.

My dear Premier,

I am writing to acknowledge your further letter of November 25 to the Prime Minister regarding the unemployment insurance proposals and to say that it is our intention in due course to prepare and forward for the observations of the Governments of each of the Provinces, a draft of the necessary amendment to the British North America Act.

Yours sincerely,

"Ernest Lapointe"

Acting Prime Minister.

The Honourable A. A. Dysart, M.L.A., K.C.,
Premier of New Brunswick,
Fredericton, N.B.

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(COPY)

C151201

THE PREMIER
Fredericton

November 25th,
19 37.

My dear Mr. Prime Minister:

With further reference to your letter of the 5th instant proposing an amendment to the British North America Act to transfer to the Dominion Parliament legislative authority in relation to unemployment insurance and certain connected matters now vested in the Provincial Legislatures, I may say that I have studied this matter carefully with my colleagues and we are of the view that the proposal is one which must be determined by the Legislative Assembly of the Province.

Furthermore, may I say, in order to reach that stage of consideration it would appear necessary to have this, or any similar proposal, submitted in definite form. It would seem impossible to reach a decision otherwise because the different provinces may have varying conceptions of what is proposed.

A very careful study must necessarily be given by the Legislative Assembly to any proposed constitutional amendment, first as to the need of such amendment to achieve the object in mind and, secondly, as to its effect upon the interests of the people of New Brunswick immediately and in the future.

We fully appreciate the sincerity of your ultimate objective to improve the social security of the individual and with that principal we are in full accord.

Rt. Hon. W. L. MacKenzie King ---

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C151202

SECRET

Rt. Hon. W. L. MacKenzie King,
Prime Minister of Canada.

November 25th, 1937.

Yet I must make quite clear our position and reaffirm that, with respect to the proposed constitutional amendment, the Legislative Assembly alone must speak.

Sincerely yours,

A. A. DYSART
-Premier-

AAD:RT

Rt. Hon. W. L. MacKenzie King,
Prime Minister of Canada,
Ottawa.

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C151203

Prime Minister's Office
Canada

Ottawa, November 22, 1937

My dear Premier:

I am very glad to know from your letter of November 18th that the Government of New Brunswick are carefully considering the proposal put forward by my letter of November 5th in the matter of unemployment insurance legislation and the British North America Act, and that we may expect an early reply.

Yours faithfully,

"W. L. Mackenzie King"

The Honourable A. A. Dysart, K.C., M.L.A.,
Premier of New Brunswick,
Fredericton, N.B.

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COPY

THE PREMIER
Fredericton
November 13th, 1937.

Dear Mr. Prime Minister:

May I respectfully acknowledge receipt of your important communication of the 5th instant respecting the matter of Unemployment Insurance.

May I say that your letter was read by me to my colleagues a few days ago and it was felt, having regard to its importance as well far reaching effects, that careful study ought be given to the suggestion.

Should the scope of the contemplated legislation substantially cover the grounds of the Bennett legislation, it will naturally affect but a very small percentage of our population because of our relatively small industralized areas.

However, as above intimated, this will receive very careful and, I trust, early consideration after which you will be further communicated with.

With every good wish and kind personal regards.

Sincerely yours

"A. A. Dysart"

Premier.

Honourable W. L. Mackenzie King,
Prime Minister of Canada,
OTTAWA.

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NOVA SCOTIA

N.S.

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C151206

Ottawa, March 2, 1938.

Honourable A. L. Macdonald, M.L.A.,
Premier of Nova Scotia,
Halifax,
Nova Scotia.

My dear Premier:

I wish to thank you for your letter of February the 14th, in which you acknowledge the copy of the draft of the proposed amendment to the British North America Act, with regard to unemployment insurance. My colleagues and I are gratified that the government of Nova Scotia has no objection to the terms of the proposed amendment, and we appreciate the sympathetic consideration which has been given to the proposal that the authority to enact unemployment insurance legislation should be vested in the Parliament of Canada.

We realize, of course, that the institution of an unemployment insurance scheme, although it will contribute in large measure, to the solution of one of the pressing problems of the day, will leave many others unsolved. We are not unmindful of the considerations set out in the submission of the province of Nova Scotia to the Royal Commission on Dominion-Provincial Relations, but feel that, while it is desirable to have the report of the Commission as a basis for the consideration of many of these problems, there is already general agreement as to the necessity of a national system of unemployment insurance.

Yours sincerely,

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C151207

THE PREMIER
Halifax

14th
February
1938

My dear Mr. King:-

I have your letter of the 20th January enclosing the text of the Address to His Majesty with respect to the amendment to the British North America Act, empowering the Parliament of Canada to enact unemployment insurance legislation. In a previous letter to you I intimated that this Government would make no objection to an amendment of the British North America Act in the manner referred to, and the Province has since re-affirmed this view in its Submission to the Rowell Commission, and I do not think I can do any better than send you an extract from our Submission dealing with the question.

Briefly stated, our position is that the main benefits of the scheme will come to the Provinces which are more highly industrialized than ours. There is also the view that the primary industries, such as farming, fishing and small lumbering, will benefit little under the scheme, and yet those engaged in such industries will have to bear their share of the state burden involved. There is an idea prevalent, and I am bound to say that it has considerable to support it, that workers in the mechanical industries, being in most cases organized into unions, are able, because of their unionization, to secure benefits and advantages to themselves which the unorganized fisherman and farmer and lumberman never achieve. There may be no remedy for this condition of things, but it is bound to provoke comparisons between wages and income in various industries, and these comparisons, in turn, may produce discontent.

Further, the view is often expressed by those engaged in business and industry that they have as many burdens to bear now as they can sustain.

These views, I know, are not new. I merely set them out to indicate some of the difficulties that have

The Right Honourable W. L. Mackenzie King, P.C., M.P.,
Prime Minister of Canada,
OTTAWA, Ontario.

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to be overcome before a scheme of unemployment insurance will be considered legally acceptable. Nevertheless, as the extract from our Submission to the Rowell Commission shows, we believe that, on the whole, unemployment insurance is a desirable thing, and that to be effective it ought to be national in scope.

Yours very truly,

'Sgd'A.L. Macdonald.

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It is generally recognized that a system of unemployment insurance is necessary to the continued social security and well being of the workers of the Dominion of Canada, and it is believed that any such scheme to be effective must be national in character. Any system of unemployment insurance not national in character would trend to restrict the liberty of movement and employment of industrial workers within Canada, and, by establishing self-contained provincial units, restrict, at times, labour adjustments that might take place were labour forces permitted to function throughout Canada as a single unit without restrictions as to Provinces. It is conceivable, too, that under any other than a national scheme, the levies upon industry might be differ from one Province to another as to put the industries, or particular industries, in a particular Province at a disadvantage as compared with those of other Provinces. Upon the establishment of State schemes of unemployment insurance in some of the States of the United States of America a few years ago, it was the experience that in practice the workings of various of the schemes were seriously impaired by pressure brought upon the authorities administering the schemes by particular interests anxious that the products of industries within such States should not, by reason of the levies under the schemes, suffer in competition with products of industries of other States. Under a national scheme, on the other hand, the levies would be standarized, consideration at the same time being given the ability to pay, and it is assumed that care should be taken to avoid placing any industries at a relative disadvantage.

It may be pointed out that the Province of Nova Scotia does not stand to benefit from a scheme of unemployment insurance to the same extent as do others of the Provinces. In the first place, it is conceived that during the primary years at least, benefits from unemployment insurance will be confined almost wholly to the manufacturing industries and the following table indicates a comparison of the percentages of the value of the net production in the manufacturing industry to the total net production of each Provinces for the year 1934:

Prince Edward Island	6.25
Nova Scotia	22.27
New Brunswick	28.96
Quebec	49.49
Ontario	48.17
Manitoba	29.59
Saskatchewan	8.49
Alberta	11.34
British Columbia	23.10
Canada	39.18.

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C151210

To illustrate, the net production of the manufacturing industry in Prince Edward Island in 1934 was 6.25% of the total net production of that Province. The figures are from The Canada Year Book, 1937, page 220.

Coal mining, one of the major industries of this Province, does not lend itself to complete cessation of activity in slack periods, but because of the necessity of mine maintenance its operation in general tends to revert to fewer days work per week rather than to undergo entire suspension, and for this reason the workers in this industry are less liable to receive benefits from unemployment insurance than those in many other industries. In view, however, of the generally accepted need of unemployment insurance and the view already expressed that a scheme to be effective ought to be national, it is not felt that one Province ought to dwell too much upon the fact that it will not benefit by such a scheme in the same proportion as other Provinces, or for that reason to oppose provision being made for establishing a national scheme ef by transferring exclusive legislative jurisdiction over unemployment insurance to the Dominion Parliament. At the same time, the fact that the different Provinces stand to benefit in varying degrees should be taken into consideration and compensation made in other respects, and such a consideration would be a proper one for the Federal Grants Commission, recommended to be established in an earlier Proposition, to have in mind in determining the amounts of grants or subsidies.

The matter of employment service is closely related to the matter of unemployment insurance and should come under the same legislative jurisdiction.

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C151211

Ottawa, January 20, 1938.

Honourable Angus L. Macdonald, M.L.A.,
Premier of Nova Scotia,
Halifax,
Nova Scotia.

My dear Premier:

With reference to our previous correspondence, I send to you, herewith, the text of the Address to His Majesty, which it is proposed to submit to both Houses of Parliament, with respect to an amendment to the British North America Act, empowering the Parliament of Canada to enact unemployment insurance legislation.

I should much appreciate receiving, at your early convenience, the observations of the government of Nova Scotia with respect to the proposed amendment.

Yours sincerely,

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CANADA

C151212

COPY

Prime Minister's Office
Canada

Ottawa, 27th November, 1937

My dear Premier:

I am very glad to learn through your letter of November 24th that the Government of Nova Scotia have no objection to the proposal that the British North America Act be amended in order to enable the Federal Parliament to enact unemployment insurance legislation. My colleagues and myself much appreciate this answer which will facilitate the important object in view.

Yours very sincerely,

"W. L. Mackenzie King"

The Honourable Angus L. Macdonald, M.L.A.,
Premier of Nova Scotia,
Halifax, Nova Scotia.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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COPY

C151213

THE PREMIER
Halifax

24th November 1937

My dear Prime Minister:-

I beg to acknowledge your letter of the 5th of November respecting the matter of unemployment insurance and employment offices. I should have replied to your letter before this date but for the fact that I wished to submit the questions you raised to my colleagues of the Cabinet here, and the opportunity for doing this to the full Cabinet has not arisen until today.

With regard to the question which you put in the last paragraph of your letter, namely, whether this Government would be agreeable to an amendment being made to the British North America Act empowering the Federal Parliament to enact unemployment insurance legislation, the view of the Provincial Cabinet is that they have no objection to such an amendment's being made. We agree with the view that unemployment insurance, to be effectively and equitably carried out, must be national in scope.

Yours very truly,

"A. L. Macdonald"

The Right Honourable W. L. Mackenzie King, P.C., M.P.,
Prime Minister of Canada,
Ottawa, Ontario

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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PUBLIC ARCHIVES
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CANADA

C151214

[redacted]

ONTARIO

ONT.

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA

C151215

[redacted]

Ottawa, January 20, 1938.

Honourable M. F. Hepburn, M.L.A.,
Premier of Ontario,
Legislative Building,
Toronto, Ontario.

My dear Premier:

With reference to our previous correspondence, I send to you, herewith, the text of the Address to His Majesty, which it is proposed to submit to both Houses of Parliament, with respect to an amendment to the British North America Act, empowering the Parliament of Canada to enact unemployment insurance legislation.

I should much appreciate receiving, at your early convenience, the observations of the government of Ontario with respect to the proposed amendment.

Yours sincerely,

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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PUBLIC ARCHIVES
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CANADA

C151216

COPY

PRIME MINISTER'S OFFICE
Canada

Ottawa, November 27th, 1937

My dear Premier:

I am very glad to know through your letter of November 25th, that the Government of Ontario support the proposal to empower the Federal Parliament to enact unemployment insurance legislation and in that connection recognise as well the necessity of bringing the control of employment offices within Federal jurisdiction. My colleagues and myself greatly appreciate this co-operation.

We have not yet reached the stage of considering a Bill in this matter, but we hope in the near future to prepare and forward for the observations of each Provincial Government a draft of the necessary amendment to the British North America Act.

Yours very sincerely,

"W. L. Mackenzie King"

The Honourable Mitchell F. Hepburn, M.L.A.,
Premier of Ontario,
Toronto, Ontario.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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PUBLIC ARCHIVES
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CANADA

[redacted]

OFFICE OF
THE PRIME MINISTER & PRESIDENT OF THE COUNCIL

C151217

Toronto,
November 25th,
1937.

My dear Prime Minister:

Following a Cabinet Council meeting of yesterday's date, I am pleased to inform you that the Government of the Province of Ontario is prepared to waive any constitutional objections and to give the fullest measure of co-operation and support to the proposed amendments to the British North America Act, empowering the Federal Government to enact unemployment insurance legislation.

Further, this Government quite concurs in the suggestion of the National Employment Commission that in future the control of employment offices throughout the Dominion, of necessity, should come within Federal jurisdiction.

When the proposed Bill is in printed form. I would greatly appreciate the courtesy of having a copy sent to me, in order that I may further discuss this matter with my Colleagues.

Yours very sincerely,

M. F. Hepburn

Right Honourable W. L. Mackenzie King, P.C.,
Prime Minister of Canada,
Ottawa, Ontario.

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CANADA

C151218

COPY

ONTARIO
Office of
The Prime Minister & President of the Council

Toronto,
November 6th,
1937.

Dear Mr. King:

In the absence of the Prime Minister, I wish to acknowledge receipt of your letter of November 5th.

Your communication will be referred to Mr. Hepburn when he returns some time next week.

Yoursvery sincerely,

"R. H. Elmhirst"
Secretary.

Right Honourable W. L. Mackenzie King,
Prime Minister of Canada,
Ottawa, Ontario

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C151219

PRINCE EDWARD ISLAND

P.E.I.

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PUBLIC ARCHIVES
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CANADA

COPY C151220

[redacted]

Ottawa, March 2, 1938.

Honourable T. A. Campbell, K.C., M.L.A.,
Premier of Prince Edward Island,
Legislative Building,
Charlottetown, P.E.I.

My dear Premier,

I wish to thank you for your letter of January the 27th, in which you acknowledge the copy of the draft of the proposed amendment to the British North America Act, with regard to unemployment insurance. My colleagues and I are gratified that the government of Prince Edward Island is satisfied with the terms of the proposed amendment, and we appreciate the sympathetic consideration which has been given to the proposal that the authority to enact unemployment insurance legislation should be vested in the Parliament of Canada.

Yours sincerely,

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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CANADA

C151221

COPY

PREMIER'S OFFICE

Prince Edward Island

January 27th 1938

Right Honourable W. L. MacKenzie King
Prime Minister
O T T A W A

Dear Sir:

I have received your letter of January 20th, and the enclosed draft of the address to His Majesty in connection with the proposed amendment to the British North America Act, empowering the Parliament of Canada to enact unemployment insurance legislation.

It seems to me that the address fully covers the desired amendment, and it meets with the approval of the Government of this Province. If the jurisdiction in this matter is to be transferred to the Dominion Government, I do not see that the Provinces can effectively control the terms and details of the proposed Dominion legislation.

Yours faithfully,

"Thane A. Campbell"

Premier

TAC-RC

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PUBLIC ARCHIVES
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CANADA

C151222

C [redacted]

Ottawa, January 20th, 1938.

Honourable T.A. Campbell, K.C., M.L.A.,
Premier of Prince Edward Island,
Legislative Building,
Charlottetown, P.E.I.

My dear Premier:

With reference to our previous correspondence, I send to you, herewith, the text of the Address to His Majesty, which it is proposed to submit to both Houses of Parliament, with respect to an amendment to the British North America Act, empowering the Parliament of Canada to enact unemployment insurance legislation.

I should much appreciate receiving, at your early convenience, the observations of the government of Prince Edward Island with respect to the proposed amendment.

Yours sincerely.

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PUBLIC ARCHIVES
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CANADA

[redacted]

COPY

C151223

Prime Minister's Office
Canada

Ottawa, November 22, 1937

My dear Premier:

I am very glad to have your letter of November 13th with the certified copy of a Minute-in-Council showing that the Government of Prince Edward Island is agreeable to an amendment being made to the British North America Act empowering the Parliament of Canada to enact unemployment insurance legislation. My colleagues and myself much appreciate this co-operation.

Yours faithfully,

"W. L. Mackenzie King"

The Honourable Thane A. Campbell, K.C., M.L.A.,
Premier of Prince Edward Island,
Charlottetown, P.E.I.

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CANADA

C151224

[redacted]

COPY

PREMIER'S OFFICE

PRINCE EDWARD ISLAND

November 13, 1937

Right Honourable W. L. MacKenzie King
Prime Minister
O T T A W A

Dear Sir:

In reply to your letter of November 8th, I may say that the Government of this Province is agreeable to an amendment being made to the British North America Act, empowering the Parliament of Canada to enact unemployment insurance legislation.

I am enclosing herewith a certified copy of a Minute-in-Council to that effect.

Yours sincerely,

"Thane A. Campbell"
Premier.

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PUBLIC ARCHIVES
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CANADA

C151225

[redacted]

EXECUTIVE COUNCIL
PRINCE EDWARD ISLAND

Copy of a Minute of His Honour the Lieutenant-Governor-in Council dated 12th November, 1937.

UNEMPLOYMENT INSURANCE

Council having under consideration the proposal of the Government of Canada to establish a national system of Unemployment Insurance, and of public employment offices, did and doth hereby approve and consent to the passing of an amendment to the British North America Act empowering the Parliament of Canada to enact Unemployment Insurance legislation.

Certified a true copy

"P. S. Fielding"

Clerk of the Executive Council

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C151226

[redacted]

QUEBEC

QUE.

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PUBLIC ARCHIVES
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CANADA

C151227

[redacted]

Ottawa, January 20, 1938.

Honourable Maurice Duplessis, K.C., M.L.A.,
Premier of Quebec,
Legislative Building,
Quebec, Que.

My dear Premier:

With reference to our previous correspondence, I send to you, herewith, the text of the Address to His Majesty, which it is proposed to submit to both Houses of Parliament, with respect to an amendment to the British North America Act, empowering the Parliament of Canada to enact unemployment insurance legislation.

I should much appreciate receiving, at your early convenience, the observations of the government of Quebec with respect to the proposed amendment.

Yours sincerely,

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CANADA

C151232

COPY

Office of the Prime Minister

Province of Quebec

Quebec, November 22nd, 1937

Right Honourable W. L. Mackenzie King, P.C., LL.D., K.C.,
Prime Minister of Canada,
Parliament Building,
Ottawa.

My dear Premier:

Your letter, dated November 5th, in connection with the establishment of a system of unemployment insurance, has been submitted to, and carefully studied by the Provincial Government.

The Province of Quebec would be happy, indeed, to co-operate in the establishment of a sound and fair system of unemployment insurance.

Your letter does not state the broad lines nor the important details of your project. As far as Quebec is concerned, we consider this information absolutely essential. The constitution guaranetees our full autonomy and, needless to say, we will do nothing, for very obvious reasons, to destroy it.

Quebec is in favor of collaboration and co-operation but is firmly and decidedly against legislative union.

It would be possible to establish a system of national unemployment insurance without infringing upon the rights of the Province. For instance, every Province could pass concurring or enabling legislation, as it has been done many times in the past, and there are, also, other ways of realizing the said insurance which would safeguard provincial autonomy.

We note that you consider unemployment a national problem, the financial burden of which rests mainly upon Ottawa; accordingly, do you not think that it is urgent and vital to do away with present unemployment and, consequently, with direct relief?

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C151228

OFFICE OF THE PRIME MINISTER

COPY

Province of Quebec

QUEBEC, December 30, 1937.

Right Hon. W. L. Mackenzie King, P.C., L.L.D., K.C.,
Prime Minister of Canada,
House of Commons,
Ottawa.

My dear Premier:

Your answer to my letter dated November 22nd was handed to me on the day of your departure for your recent holidays and I preferred to await your return before replying.

In your second letter, you repeat the views you expressed in your first one, adding that you are convinced that enabling or concurring legislation would be uncertain and unstable.

Old Age Pensions - one of the many similar instances - which you enacted and enforced and which was approved and amended by your successors in office, a few years later, is based on enabling legislation.

Moreover, as stated previously, there are also other ways of realizing unemployment insurance which would safeguard provincial autonomy. If enabling legislation, as you declare, is uncertain and unstable, what do you think of the stability and certainty of a federal legislation on unemployment insurance which could essentially be changed or modified, every year, by the Federal Parliament?

The Government of the Province of Quebec considers that the best elements of stability and certainty are within the British North America Act and that it is much safer to preserve the stability of the Constitution.

In conclusion, again I state that the Province of Quebec is willing to co-operate heartily in the establishment of a sound and fair system of unemployment insurance, which could be established on a national scope, without infringing upon the rights and autonomy of the Provinces.

Yours very truly,

(Sgd) M. Le Duplessis.

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C151229

COPY

Prime Minister's Office

Ottawa, 26th November, 1937

My dear Premier:

I have your letter of November 22nd and am pleased to have your assurance that the Province of Quebec is ready to co-operate in the establishment of a sound and fair system of unemployment insurance.

You have suggested the possibility of proceeding toward unemployment insurance by concurring or enabling legislation to be enacted by provincial legislatures. As I pointed out in my previous letter, there is a general consensus of view that unemployment insurance must be national in scope if it is to be carried out effectivaly. The national Parliament must, therefore, be equipped with the powers to set up a system of such scope. We have given careful consideration to the proposal to proceed by way of concurrent legislation. On the advice of those who have studied this question most carefully we are convinced that such a method would be uncertain and unstable and would not attain the object we all desire.

We realize that there will be many important details which will require careful consideration when the stage for the preparation of the actual legislation has been reached. Meanwhile, as I have indicated, the first essential step is to secure an amendment to the British North America Act which will give the Dominion Parliament the necessary power to enact unemployment insurance legislation. It is our intention, in due course, to prepare and forward to each of the Provincial Governments for their observations a draft of this essential constitutional amendment.

You have referred in your letter to proposals made by your Government to deal with present unemployment by an extended program of public worksin co-operation with the Dominion Government. It must be recognized, however, that unemployment insurance cannot deal with the immediate relief situation. It is designed rather to establish an organization and a method to cope with recurrent unemployment so far as possible on an insurance basis in preference to existing methods of relief. The question which you have raised is, therefore, quite separate and distinct from the subject of our present correspondence.

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C151230

In view of the general desire to bring about an effective system of unemployment insurance in Canada at the earliest date it is hoped that the first step toward this goal may be assisted by the co-operation of the Provinces. I trust, therefore, that the Government of the Province of Quebec will endorse the principle that the Dominion Parliament should be given the power which alone will permit the Government to proceed with plans to introduce unemployment insurance legislation at the forthcoming session.

Yours sincerely,

"W. L. Mackenzie King"

The Hon. M. L. Duplessis, M.L.A., K.C.,
Premier of Quebec,
Quebec, P.Q.

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C151231

[redacted]

COPY

Prime Minister's Office
Canada

Ottawa, November 24, 1937

Honourable N. M. Rogers, M.P.,
Minister of Labour,
Ottawa, Ontario.

My dear Rogers:

I enclose a copy of a letter which I have just now received from Premier Duplessis, dealing with the proposal for unemployment insurance. Perhaps you will wish to confer with Mr. Christie, who will undertake to prepare a draft letter to Mr. Duplessis, dealing with the points he has raised in his communication of November the 22nd.

Yours sincerely,

"W. L. Mackenzie King"

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C151232

COPY

Office of the Prime Minister

Province of Quebec

Quebec, November 22nd, 1937

Right Honourable W. L. Mackenzie King, P.C., LL.D., K.C.,
Prime Minister of Canada,
Parliament Building,
Ottawa.

My dear Premier:

Your letter, dated November 5th, in connection with the establishment of a system of unemployment insurance, has been submitted to, and carefully studied by the Provincial Government.

The Province of Quebec would be happy, indeed, to co-operate in the establishment of a sound and fair system of unemployment insurance.

Your letter does not state the broad lines nor the important details of your project. As far as Quebec is concerned, we consider this information absolutely essential. The constitution guaranetees our full autonomy and, needless to say, we will do nothing, for very obvious reasons, to destroy it.

Quebec is in favor of collaboration and co-operation but is firmly and decidedly against legislative union.

It would be possible to establish a system of national unemployment insurance without infringing upon the rights of the Province. For instance, every Province could pass concurring or enabling legislation, as it has been done many times in the past, and there are, also, other ways of realizing the said insurance which would safeguard provincial autonomy.

We note that you consider unemployment a national problem, the financial burden of which rests mainly upon Ottawa; accordingly, do you not think that it is urgent and vital to do away with present unemployment and, consequently, with direct relief?

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The programme of productive public works, which we suggested to your Government, months ago, would go a long way to achieve these desirable ends.

The disappearance of present unemployment would largely contribute towards the solidity and stability of a system of insurance against future unemployment.

In conclusion, the Government of the Province of Quebec is willing to co-operate hearily in the establishemnt of a sound and fair system of unemployment insurance and also, in a programme of productive public works mentioned above.

Yours truly,

"M. Duplessis"

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C151234

SASKATCHEWAN

SASK.

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COPY [redacted]

C151235

Ottawa, March 2, 1938.

Honourable W. J. Patterson, M.L.A.,
Premier of Saskatchewan,
Legislative Building,
Regina, Saskatchewan.

My dear Premier:

I wish to thank you for your letter of January the 26th, in which you acknowledge the copy of the draft of the proposed amendment to the British North America Act, with regard to unemployment insurance. My colleagues and I are gratified that the government of Saskatchewan is satisfied with the terms of the proposed amendment, and we appreciate the sympathetic consideration which has been given to the proposal that the authority to enact unemployment insurance legislation should be vested in the Parliament of Canada.

Yours sincerely,

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C151236

COPY

PREMIER'S OFFICE

Saskatchewan

Regina, January 26, 1938.

Rt. Honourable W. L. Mackenzie King,
Prime Minister,
Ottawa, Ont.

Dear Mr. King:-

I am in receipt of your letter of January 20th enclosing the proposed amendment to The British North America Act, empowering the Parliament of Canada to enact unemployment insurance legislation.

The Government has considered your proposal and is entirely satisfied therewith and hereby approves of the same.

Yours sincerely,

"W. J. Patterson"

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C151237

Ottawa, January 20, 1938.

Honourable W. J. Patterson, M.L.A.,
Premier of Saskatchewan,
Legislative Building,
Regina, Saskatchewan.

My dear Premier:

With reference to our previous correspondence, I send to you, herewith, the text of the Address to His Majesty, which it is proposed to submit to both Houses of Parliament, with respect to an amendment to the British North America Act, empowering the Parliament of Canada to enact unemployment insurance legislation.

I should much appreciate receiving, at your early convenience, the observations of the government of Saskatchewan with respect to the proposed amendment.

Yours sincerely,

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To The King's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the ..... Commons of Canada in Parliament assembled, humbly approach Your Majesty praying that you may graciously be pleased to give your consent to submitting a bill to the Parliament of the United Kingdom of Great Britain and Northern Ireland to amend the British North America Act, 1867, and that such bill be expressed as follows:

An Act to amend the provisions of the British North America Act, 1867, relating to unemployment insurance.

WHEREAS the Senate and Commons of Canada in Parliament assembled have submitted an Address to His Majesty praying that His Majesty may graciously be pleased to give his consent to the submission of a bill to the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the King's most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal, in this present Parliament assembled, and by the authority of the same, as follows:-

1.- Section ninety-one of the British North America Act, 1867, is amended by adding thereto as class 2A the following:-

"2A. Unemployment Insurance."

2.- This Act may be cited as the British North America Act, 1938, and the British North America Acts 1867 to 1930, the British North America Act, 1907, and this Act may be cited together as the British North America Acts 1867 to 1938.

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C151239

[redacted]

COPY

Office of the Prime Minister
Canada

Ottawa, November 16, 1937

My dear Premier,

I am very glad to know, through your letter of November 10, that we shall have the co-operation of the Government of Saskatchewan in bringing about an amendment of the British North America Act empowering the Federal Government to enact unemployment insurance legislation.

I realize the force of what you say regarding the demands for some form of crop insurance and appreciate the co-operative manner in which you have mentioned that subject in the present connection.

Yours faithfully,

"W. L. Mackenzie King"

The Honourable W. J. Patterson, M.L.A.,
Premier of Saskatchewan,
Regina, Saskatchewan.

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PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
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C C151240

PREMIER'S OFFICE

Saskatchewan

Regina, November 10, 1937

Right Honourable W. L. Mackenzie King,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

I beg to acknowledge your letter of the 5th and in reply may advise you that I have discussed its contents with my colleagues in the Government of Saskatchewan.

We appreciate that under the Constitution as it presently stands, the Parliament of Canada is probably without jurisdiction to enact a system of unemployment insurance, and we agree with the view expressed that any effective plan of unemployment insurance must be national in its scope and operation. I may advise you, therefore, that the Government of Saskatchewan is agreeable to an amendment being made to the British North America Act empowering the Federal Government to enact unemployment insurance legislation.

In connection with this subject may I point out that a comparatively small percentage of the population of Saskatchewan is normally employed in occupations to which a scheme of unemployment insurance would probably apply. Because of the large proportion of our people dependent upon agriculture, and particularly in view of the experiences of the past few years, there has been and is likely to be, a growing demand for some form of crop insurance. The institution of a national system of unemployment insurance will undoubtedly increase advocacy for some form of national crop insurance and the fact that the Federal Government has taken steps to provide for the protection of those employed in industry will be advanced as an argument why some form of protection should be provided for the farming community.

I mention this not in any way as a reservation to our agreement to an amendment being made to the British North America Act to enable the Federal Parliament to set up a national scheme of unemployment insurance, but merely to indicate one result that may be expected to follow.

With kindest personal regards,

Yours sincerely,

"W. J. Patterson"

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Call - unemployment Insurance
[redacted]

C151241

Mr. Hepburn's Attitude to Unemployment Insurance

1937

Nov. 25th. Letter to Prime Minister announcing that Ontario Government is prepared to waive constitutional objections and give full co-operation to proposed amendments to B.N.A. Act.

Dec. 17th. Canadian press report in the Montreal Gazette (following Montreal conference between Messrs. Hepburn and Duplessis):

> On one question, however, Mr. Hepburn said he was in agreement with Mr. King. That was revision of the British North America Act to permit Dominion-wide unemployment insurance measures.
>
> "I have not altered my position on that matter", he said.

1938

Jan. 11th Interview with Mr. Hepburn reported in the Toronto Star:

> " I am agreed in principle," Mr. Hepburn stated, "but Ontario is reserving the right to accept or reject details of the federal unemployment insurance plan and any B.N.A. Act revisions proposed by the Dominion to bring about such legislation. I do not intend to give the federal authorities a blank cheque either for the B.N.A. Act revision contemplated in this regard or details of the unemployment insurance measure. We want to know exactly what is contemplated. When I get that information I will state Ontario's position on details.

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CANADA

C151242

" I am not reneging on our earlier assurance to Premier King, despite any position assumed by Premier Duplessis, but Ontario must retain the right to be consulted on the proposed B.N.A. Act revisions and the unemployment insurance act and to accept or reject any phase of it that does not meet with our views."

Jan. 21st.

Extract from the Toronto Telegram:

" Ontario is prepared to waive its constitutional objections and give the fullest support and co-operation to the proposed amendments to the British North America Act, empowering the Federal Government to enact unemployment insurance legislation."

Such was the message sent to members of the Toronto District Labor Council by Premier Mitchell Hepburn last night by letter.

(This is taken directly from the letter of November 25th to the Prime Minister.)

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C151243

[redacted]

Ottawa, January 3, 1938

MEMORANDUM FOR THE PRIME MINISTER:

Re Premier Duplessis' letter re Unemployment Insurance, December 30, 1937.

Copies have been sent to the Minister of Labour and the Minister of Justice.

Mr. Edwards states that a draft of the proposed amendment will be ready for submission to Mr. Lapointe when he returns on Monday of next week, and, if approved by him, for consideration by Council on Tuesday.

I assume you do not wish a further communication to Premier Duplessis drafted until the amendment is ready.

E. A. P.

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OFFICE OF THE PRIME MINIS[redacted]

MEMORANDUM

January 3rd, 1938.

H725
C151244 10.1

For Mr. King:

The attached notes are a survey of discussions and plans re Unemployment Insurance from 1919 up to the despatch of your letter to the Provincial Premiers in 1937. This is intended to provide, in compact form, historical data which may be of use from time to time.

Notes containing considerations on the situation since your letter was sent, which may be of use in discussions in the House, are in the course of preparation and will be ready shortly.

E. A. P.

P/R

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OFFICE OF THE PRIME [redacted]

MEMORANDUM

C151245

January 11th, 1938.

H-125
Vol. 1

For Mr. King:

Before seeing the press, this evening, you may wish to read The Gazette account of Premier Duplessis' speech of yesterday. This morning's papers published the text of Mr. Duplessis' reply to you of December 30th on unemployment insurance.

E. A. P.

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Coll - Unemployment Insurance

[redacted]

Excerpt from the 'Toronto Star',
January 11, 1938.

C151246

HEPBURN OPPOSED TO GIVING BLANK CHEQUE ON B.N.A. ACT.

Not Backing Quebec Opposition to Insurance. But Wants Details.

DEFINES POSITION

Montreal, Jan. 11. - Ontario is not following Quebec's lead in opposing B.N.A. Act revision to permit a federal unemployment insurance measure. Premier Hepburn made this statement to-day.

Last night Premier Duplessis released for publication a letter to Prime Minister King in which the Quebec premier emphatically refused to agree to B.N.A. Act changes needed to permit the federal government to enact legislation of Dominion scope.

As the letter was published after an all-day conference with the Ontario premier on newsprint, it was surmised the two might have reached an agreement in opposition to B.N.A. Act revision.

"I am agreed in principle," Mr. Hepburn stated, "but Ontario is reserving the right to accept or reject details of the federal unemployment insurance plan and any B.N.A. Act revisions proposed by the Dominion to bring about such legislation. I do not intend to give the federal authorities a blank cheque either for the B.N.A. Act revision contemplated in this regard or details of the unemployment insurance measure. We want to know exactly what is contemplated. When I get that information I will state Ontario's position on details.

"I am not reneging on our earlier assurance to Premier King, despite any position assumed by Premier Duplessis, but Ontario must retain the right to be consulted on the proposed B.N.A. Act revisions and the unemployment insurance act and to accept or reject any phase of it that does not meet with our views."

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E.A.P.

OFFICE OF THE PRIME M[redacted]

MEMORANDUM

H-725
p.1

Jan. 19, 1938
11.45 a.m.

C151247

MR. KING:

I have sent over to Mr. Edwards a draft of the letter to the Provincial Premiers, which he is going over at the present time with his officers. As soon as I hear from Mr. Edwards, the letter will be written and sent to Laurier House.

E.A.P.

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OFFICE OF THE PRIME M[redacted]

MEMORANDUM

January 19th, 1938.

For Mr. King: C151248

Re: Letters to Premiers re unemployment insurance.

The attached draft was shown to Mr. Christie, and has been carefully looked into and approved by Mr. Edwards. No variation was made in the letter to Mr. Duplessis, as specific reference to his letter of December the 30th may only serve to draw unnecessary attention to the position adopted therein.

Will it be satisfactory to release the letter and the text of the Address, to the press on say, Saturday, for Monday morning's papers, which would give the Premiers, all but possibly Mr. Pattullo, time to receive them?

mimeographed copies of the resolution are being prepared, which will make a more attractive enclosure, & which can be substituted in the typed copies herewith, after the letters are signed.

E. A. P.

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C151249

OFFICE OF THE PRIME MINISTER

MEMORANDUM

Mr. King:

Re Unemployment Insurance

The Amendment, as revised by Council yesterday, was gone over this morning by Mr. Edwards, and mailed to the Provincial Premiers with the letters which you had already signed. The date of the letter was changed to the 20th.

The text of the letter and Amendment will be given to the press, both in English and in French, tomorrow afternoon, for publication Monday morning.

E.A.P.

January 21, 1938.

Read by Mr King Jan 21/38

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C151250

[redacted] as sent to Premier

Jan. 21

To The King's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the ..... Commons of Canada in Parliament assembled, humbly approach Your Majesty praying that you may graciously be pleased to give your consent to submitting a bill to the Parliament of the United Kingdom of Great Britain and Northern Ireland to amend the British North America Act, 1867, and that such bill be expressed as follows:

An Act to amend the provisions of the British North America Act, 1867, relating to unemployment insurance.

WHEREAS the Senate and Commons of Canada in Parliament assembled have submitted an Address to His Majesty praying that His Majesty may graciously be pleased to give his consent to the submission of a bill to the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the King's most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal, in this present Parliament assembled, and by the authority of the same, as follows:-

1.- Section ninety-one of the British North America Act, 1867, is amended by adding thereto as class 2A the following:-

"2A. Unemployment Insurance."

2.- This Act may be cited as the British North America Act, 1938, and the British North America Acts 1867 to 1930, the British North America Act, 1907, and this Act may be cited together as the British North America Acts 1867 to 1938.

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Coll- un [redacted] Insurance

C151251

Unemployment Insurance as a cure for Unemployment

Insofar as unemployment insurance "cushions" depression it is of assistance in checking unemployment.

It is not, however, regarded by the government as a cure for unemployment, nor as a substitute for conditions of full employment.

Full employment can be achieved by careful policy, and it is the intention of the government to employ all the means in its power to limit the necessity of calling upon the Unemployment Insurance Fund.

The purpose of the fund is to provide for the difficulties normally encountered in changes of economy and the rise and decline of particular industries, in addition to thos extraordinary difficulties which are bound to follow upon the transition from a war economy to one of peace.

The late Honourable Norman McL. Rogers summed up the government's attitude to the problem of unemployment when he said, in the House of Commons, January 23rd, 1938, (Unrevised Hansard, p. 252):

> "....let us remember that this battle of unemployment is not fought on one front alone; it is fought on a long battlefront, and sometimes we have to retreat on one sector, sometimes we may have to

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"consolidate our position along the whole line; there is not always an advance. But I believe that, given the kind of co-operation, the kind of enterprise and initiative that exists in this country, at least potentially, it is not beyond the powers of government, and citizenship, to make steady progress towards the solution of this problem".

The government intends this Bill as a contribution towards the "steady progress" to which the late Minister of Labour referred.

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C151253

[redacted]

Read by Jenkins Jan 28/38

H-125
pt. 1

Memorandum for the Prime Minister:

Mr. Boulanger has sent notice to the Clerk of a Motion for the production of all correspondence between the Prime Minister and the Provincial Premiers on Unemployment Insurance. This correspondence is ready, in due form, for tabling on the first occasion when the Motion can be made, which will not be until after the Address is out of the way.

E.A.P.

E. A. PICKERING.

January 26, 1938

For copy see
P-655
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Coll. Unemployment Insurance
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C151254

UNEMPLOYMENT INSURANCE

Proposal to amend the B. N. A. Act.

Prime Minister on Provincial consent

(Canadian Press Report, Globe and Mail, Nov.10,1937)

"He (the P.M.) would not anticipate the contingency of one of the Provinces refusing to agree but said only that it would be desirable that there be unanimous approval."

(Montreal Gazette, Nov. 15, 1937)

"When asked last week about the extent of agreement he thought necessary, Premier King said he believed it desirable there should be unanimous consent on the part of the provinces."

(Ottawa Citizen, Jan. 24, 1938)

"Whether he would proceed against the wishes of the three provinces, hoping to obtain their consent later, the Prime Minister has not intimated."

(Ottawa Citizen, Jan. 26, 1938)

"The unemployment insurance measure might come in at the start of the Session, Mr. Mackenzie King said, or later, 'or maybe not at all' 'But I feel quite sure it will', he added....."

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P.M. in debate on the Address, January 31, 1938
(Unrevised Hansard p.72)

"Instead of attempting to do things in that way, the present administration has sought to go about the matter in the only way in which it can be speedily and satisfactorily solved, namely to communicate with the provinces themselves, with the constituted authorities in each province hoping that they may see the reasonableness of the position taken by the government, and extend their cooperation so as to enable the necessary amendment to be made to the British North America Act. That cooperation would facilitate the early introduction of the legislation. If it cannot be brought in as a result of cooperative effort between the provinces and the dominion, I fail to see how else it can be done."

This statement interpreted by Montreal Gazette (Feb.1, 1938) in a headline as "JOB INSURANCE IMPOSSIBLE WITHOUT AID OF PROVINCES, MACKENZIE KING CONFESSES."

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[redacted]

Minister of Labour and Provincial consent

No direct statement has been found by the Minister of Labour on the degree of provincial consent necessary. He is reported (on Nov.17) to have expressed gratification at the Ontario government's consent to the amendment.

EARNSCLIFFE LINEN BOND MADE IN CANADA

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C151257

February 1, 1938.

MEMORANDUM FOR THE PRIME MINISTER:

Unemployment Insurance

Re Acknowledgments of Draft Amendment of B.N.A. Act by Provincial Premiers

Replies favourable to the amendment have been received from Prince Edward Island, Manitoba, Saskatchewan and British Columbia. The acknowledgment to be made to the Premiers of Manitoba and British Columbia presents a problem. Both Premiers ask to have (not as a condition of their acceptance of the amendment, but as a matter of courtesy) the details of the proposed legislation communicated to them. In the case of the Premier of British Columbia, it is a repetition of his request of November the 11th last, which was not answered in the reply made to him on November the 17th.

It has not been thought wise to prepare acknowledgments of any of the provincial replies until the decision has been reached as to whether it is intended to communicate copies of the Bill to the Provincial Governments at any stage; and if it is intended to do so, at what stage it is anticipated that the Bill will be made known to them. It might perhaps be desirable to defer the acknowledgment of any of the replies until replies have been received from all the provinces.

E. A. P.

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file two

C151258

Ottawa, February 18th, 1938.

MEMORANDUM FOR THE PRIME MINISTER:

Re: Unemployment Insurance.

The attached letter from the Premier of Nova Scotia is an acknowledgment of the text of the Address re the amendment to the British North America Act, in which he repeats his intimation that the Province has no objection to such an amendment.

The letter, in common with those from the other Premiers, is being left unacknowledged until the direction of Council, as to the nature of the acknowledgment it is desired to make, has been received.

A copy of this letter and the enclosure have been forwarded to the Minister of Labour.

E. A. P.

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[redacted]

C151259

FOR THE PRIME MINISTER

FOR COUNCIL: February 21st, 1938.

SUBJECT: Unemployment insurance communications sent to Department of Labour;

REMARKS: Mr. Pickering's memorandum of February 15th, attached.

CONSIDERED BY COUNCIL:

ACTION TAKEN: Replies to be drafted indicating government unable to introduce Bill until necessary constitutional authority conferred upon the Parliament of Canada.

E.A.P.

DISPOSED OF:

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C151260

March 2, 1938.

MEMORANDUM FOR THE PRIME MINISTER:

Re: Unemployment Insurance
Replies to Provincial Premiers

The drafts of the replies have all been discussed with the appropriate officers of the Department of Labour and with Mr. Christie. They have also been read and approved by the Minister of Labour.

E. A. P.

Read to Council afterwards.
Mar. 3.

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C151261

UNEMPLOYMENT INSURANCE

On March 2, 1938, the Prime Minister wrote to Mr. Pattullo:

"You will, I feel sure, appreciate that it would not be in accordance with constitutional usage for the Dominion government to submit the proposed legislation to the provinces before it has been introduced in Parliament. Parliament will, of course, have to assume the sole responsibility for the unemployment insurance legislation which it is proposed to enact when the necessary jurisdiction has been secured, but the government will welcome from the provinces, as well as from other interested bodies, any representations which they may wish to make. I shall, accordingly, make a copy of the Bill available to you as soon as it has been introduced."

Mr. Pattullo replied on March 8:

"I respectfully suggest that it would not violate constitutional usage if I could be advised of the suggestions of the Government prior to the introduction of the bill, because it might be

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possible that suggestions would be helpful and save a great deal of criticism after the bill is introduced.

"My experience has been that it is advisable to get as many expressions of opinion as possible before legislation is introduced."

The Prime Minister replied on March 16:

"It has occurred to me that an occasion might be provided, during the course of your forthcoming visit to Ottawa, for the discussion of the question with which your letter deals, and which, as you will realize, raises a point in which the provinces generally are interested."

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C151263

(1)

Ottawa, March 15th, 1938.

MEMORANDUM FOR THE PRIME MINISTER:

Re: Unemployment Insurance.

Attached are a further communication from Mr. Pattullo and a draft reply.

According to Mr. Mackenzie's office, Mr. Pattullo plans to leave for the East when the Rowell Commission has concluded its sittings in Victoria. Accordingly, he may be here a fortnight or three weeks hence.

E. A. P.

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C151264

FOR THE PRIME MINISTER

FOR COUNCIL: March 17th, 1938.

SUBJECT: Unemployment Insurance - draft reply to Mr. Pattullo attached;

REMARKS: This draft has been approved by the Minister of Labour.

CONSIDERED BY COUNCIL:

ACTION TAKEN: Letter to Mr. Pattullo signed, and mailed on March 18th.

E.A.P.

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C151265

FOR THE PRIME MINISTER

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vol. 1

FOR COUNCIL: March 28th, 1938.

P-657
1938

SUBJECT: Unemployment Insurance - request of Mr. Heaps for statement, and draft attached;

REMARKS: Draft has been approved by Mr. Rogers.

CONSIDERED BY COUNCIL:

ACTION TAKEN: Statement read by Prime Minister, and approved by Council.

E. A. P.

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OFFICE OF THE PRIME MINISTER

MEMORANDUM

C151266

April 12, 1938.

for the Prime Minister:

The attached report from the Edmonton Bulletin, re Unemployment Insurance, did not appear in any of the eastern papers except Le Devoir of Montreal. Cuttings have been sent to Dept. of Labour.

E. A. P.

JWP/MP

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C151267

Ottawa, April 13th, 1938.

MEMORANDUM FOR THE PRIME MINISTER:

Re: Unemployment Insurance

A memorandum is being prepared on the situation as it exists in the light of the position of Alberta, and the probable refusal of New Brunswick Legislature; also a statement for reply to the question which will undoubtedly be asked in the House.

E. A. P.

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MEMORANDUM

Office of the Prime Minister

Ottawa, [redacted]

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FOR THE PRIME MINISTER

C151269

FOR COUNCIL: April 25th, 1938.

SUBJECT: Unemployment Insurance;

REMARKS: The attached memorandum and draft statement, dated April 22nd, have been seen and approved by the Minister of Labour.

CONSIDERED BY COUNCIL:

ACTION TAKEN: Memorandum read to Council and approved. Statement approved with amendment indicated.

E.A.P.

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C151270 H-126 pt.1

file [redacted]

Questions answered by Mr Rogers June 23/38

MEMORANDUM FOR THE PRIME MINISTER:

Re: Unemployment Insurance

On June the 14th, Mr. Neill raised anew the question of the Government's intentions with respect to proceeding with unemployment insurance this session, and asked if a draft bill would be published. Mr. Bennett suggested that a draft bill, with blanks in place of the money provisions, be laid on the table.

The attached statement, based in large part upon a memorandum approved by Council on April the 29th, has been drafted and a copy sent to the Minister of Labour. Mr. Rogers' secretary has just telephoned that Mr. Rogers would like to have the statement sent in to the Prime Minister in Council and a copy given to him.

E.A.P.

June 20, 1938

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C151271

In answer to the question raised by the honourable member for Comox-Alberni on June the 14th, it seemed desirable to outline the actual position taken by the various provinces to the request that they should approve of the proposal to amend the British North America Act to give Parliament authority to enact unemployment insurance legislation. Six of the provinces, Nova Scotia, Prince Edward Island, Ontario, Manitoba, Saskatchewan and British Columbia have given their approval to the proposal.

The Premier of Alberta stated in a letter dated March the 15th last that he intended to submit the proposal to the Legislature. No official communication regarding the attitude taken by the Legislature of Alberta has been received, but the press has reported that the Legislature adopted a resolution which declared:

> "That the introduction of an unemployment insurance scheme does not require an amendment to the B.N.A. Act. This sovereign legislature of Alberta cannot agree to any amendment of the B.N.A. Act until the present unsatisfactory constitutional situation in the Dominion has been cleared up to the complete satisfaction of all provinces."

The government of New Brunswick has forwarded a copy of a resolution adopted by the legislature on April 14th, which, after drawing attention to the

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C151272

C150339

relation of the Dominion government's proposal to the investigations of the Royal Commission on Dominion-Provincial relations, continued in these terms:

> "Be it therefore resolved that in the opinion of this House the Government of this Province should respectfully urge upon the Government of Canada the advisability of deferring further consideration of the said proposal until the report of the said Commissioners is available, when the whole field of social services and any re-allocation of legislative powers in respect thereof may be given fuller study and consideration in the light of the findings and recommendations of the said Commissioners."

The Premier of Quebec has, thus far, not acknowledged the draft amendment which was communicated to him on January the 20th. But in previous correspondence he stated that "the Province of Quebec is willing to co-operate heartily in the establishment of a sound and fair system of unemployment insurance, which could be established on a national scope, without infringing upon the rights and autonomy of the provinces". He has further indicated that a national scheme could be established by means of concurrent or enabling legislation without constitutional amendment.

In summary, therefore, the position at present is that six of the provinces are favourable to

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the proposed amendment and three have withheld approval for the time being at any rate.

When, in November last, the government invited the concurrence of the provinces in the transfer of legislative jurisdiction regarding unemployment insurance, we considered that the immediate establishment of a national unemployment insurance scheme was desirable, and that the need therefor was clearly recognized in all parts of Canada. My colleagues and I have not altered our opinion that the principle of national unemployment insurance is generally approved throughout the country, and that a scheme should be instituted with the least possible delay. We are equally convinced that it is not feasible to inaugurate unemployment insurance without securing the necessary legislative jurisdiction. We had hoped that these considerations would lead all the provinces to concur in the proposal for the necessary amendment.

In view, however, of the fact that the government of Quebec has not given its approval to the proposed amendment, and that the Legislatures of Alberta and New Brunswick have expressed the opinion that it is desirable to await a general adjustment of

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C151274

relations between the Dominion and the provinces, and in view, also, of the fact that the preparatory work for such a settlement is actually in progress at the present time, the government have decided not to proceed with an address for the proposed amendment to the British North America Act at this session of Parliament.

This does not mean that the Government have the slightest intention of abandoning the project of national unemployment insurance. We are resolved to include it as an essential element in any general settlement of the relations between the Dominion and the provinces.

The honourable member for Comox-Alberni raised the further question as to which provinces had refused to co-operate in passing bills providing for unemployment insurance. Under the proposal made by the government to the provinces no provincial legislation would be necessary, once Parliament had acquired the jurisdiction under the proposed amendment to the British North America Act.

All the correspondence with the provinces has been tabled except the Resolution of the New Brunswick Legislature, and the accompanying letter from the Premier of New Brunswick which are tabled herewith.

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C1512775

The honourable member for Comox-Alberni suggested that the government should publish a draft of the unemployment insurance bill, and the Right Honourable the Leader of the Opposition suggested that the bill should be tabled with blanks being left in the text where expenditures of public moneys were involved. I do not see how the government could, with propriety adopt either of the courses suggested.

To lay on the table a bill which the government knew in advance to be ultra vires would not be in keeping with the dignity of Parliament, nor in conformity with the government's view of sound constitutional practice. To publish a draft, which would not even be a bill, would appear to be open to even more serious misconstruction. The government feel that, before attempting to proceed with specific detailed proposals for legislation, it is essential that the necessary legislative jurisdiction should be vested in Parliament.

JWP/LAM

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C151276

[redacted]

Re: Unemployment Insurance

Unrevised Hansard
June 14, 1938, pp. 4178-80

Mr. NEILL: I wonder if the minister would answer one or two small questions that perhaps are not directly connected with this item, but I cannot find any other place to pin them. I should like information on the following points, and it will not take a minute if the minister has the information under his hand. I am sorry the right hon. Prime Minister is not here at the moment, but the other day in reply to the hon. member for Fraser Valley he dealt with the question of unemployment insurance. I should like to know if the minister would just expand that a little. I should like to know, first, what provinces are unwilling to join in an amendment to the British North America Act; second, which provinces have refused to cooperate in passing bills providing for unemployment insurance, and their reasons for so doing; and, third, would it not be possible and wise to publish the draft which the right hon. Prime Minister says is ready, in order to influence public opinion? Each of us has some little influence, and if we went home and boosted for the bill as we saw it, we might be able to bring some pressure to bear on the various governments; but until the provisions of the bill are made known, we are asking people to endorse something more or less in the dark. At any rate I should like to know which of the provinces have flatly refused to join in an amendment to the British North America Act and why; which have refused to join in an unemployment insurance measure, and why; and if we could not have the draft act made public.

Mr. ROGERS: My hon. friend will understand that if I appeared to speak cautiously in connection with this matter, it is desirable that I should do so, as I speak wholly from recollection. My impression is that all the correspondence with the provinces in relation to this matter has been tabled from time to time. The original letter asked for the cooperation of the provinces in the enactment of a national scheme of unemployment insurance. As I recollect it, replies were received from all the provinces. Three provinces expressed the view either that there should not be a national scheme of unemployment insurance or that no action should be taken pending discussion of the matter in their legislatures.

Mr. NEILL: Which three?

Mr. ROGERS: Quebec took definite exception to a national scheme of unemployment insurance. New Brunswick wished to have the matter discussed in the legislature. Alberta took precisely the same position. Subsequently a further letter was sent to the provinces asking for their cooperation in a constitutional amendment which would permit this parliament to enact a national scheme for unemployment insurance. I believe I am correct when I say that answers were received from all but two provinces with respect to this request for assistance in putting through the constitutional amendment.

Mr. BENNETT: A draft amendment was enclosed, was it not?

Mr. ROGERS: Yes; a draft amendment was actually submitted to the various provinces. Alberta declined to cooperate. New Brunswick expressed the view that no action should be taken pending the report of the royal commission on dominion-provincial relations. Quebec had already expressed its opinion in regard to the first question and, so far as I recall, did not specifically answer the letter referring to the constitutional amendment. Ontario had originally supported the proposal for a national scheme of unemployment insurance, but I do not recall that there was a letter received from that province with special regard to the constitutional amendment. That is the situation as I know it at the present time.

Mr. NEILL: The minister spoke about all the correspondence having been tabled. Could he look into the matter and see that it is all tabled, so that it will all be available?

Mr. ROGERS: I shall be glad to do so.

Mr. NEILL: What about the legislation itself? What does the minister think about letting the public into his confidence with respect to the draft bill? After all, we have to deal with it finally, and it might help to formulate public opinion in its favour if we were familiar with its provisions. Would the draft bill form part of the matter to be laid on the table?

Mr. ROGERS: I would not care to answer that question without consideration. I can see some merit in the proposal, but I can also see some objections. I should like to have a full opportunity to give the proper weight to each.

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C151277

Mr. BENNETT: I am bound to say I had in mind the same suggestion as has been expressed by the hon. member for Comox-Alberni with regard to the publication of the bill. I realize, of course, that under the rules of the house it cannot be introduced into the chamber. Having regard to that fact, I think it might possibly be tabled with the correspondence, leaving blanks, of course, where expenditures of public moneys or matters of that kind were involved, as is usual in bills of that sort.

It has not been unusual to lay bills on the table, to give them first reading, and then have them printed for second reading and circulated widely throughout the country. In view of the limitations in connection with the introduction of the measure, and in view of its having been declared to be beyond the legislative competence of parliament, it does seem to me it would be fair to have it made public, so that to some extent public opinion could crystallize around the concrete proposals, rather than in connection with an abstract discussion or suggestion.

Mr. MacNEIL: The minister said the other evening that he had a special representative of the department in Vancouver, and that the remuneration to that officer was $500 a month. From what vote is provision made for his salary, what is his title, and what is the exact nature of his duties?

Mr. ROGERS: That would come under the administration vote in the supplementary estimates, and I think it would be preferable to discuss it at that time.

Mr. MacINNIS: I think the point raised by the hon. member for Comox-Alberni is worthy of support. This government adopts the attitude that if there is any opposition at all from certain quarters, it would immediately drop a measure like a hot coal, and do nothing further about it. It is quite clear, I believe, that in a country such as this, with such a large area and a wide diversity of opinion, there would not be unanimity in any measure the government may propose. Here is a measure, however, of which I believe enlightened opinion in all parts of the dominion is in favour. I believe the government itself is in favour of it, as indicated by the fact that it has proposed it. Should not the government take steps to familiarize the people of the provinces with the measure, because we must remember that this is a government of the provinces just as are the legislatures. We must learn their reaction to the execution of a national employment insurance scheme to be used as a means of safeguarding the social welfare of the people.

In this way I believe the government would be able to bring pressure to bear upon the provincial governments, through the people in those provinces, and in that way would get consent. We are living in an age in which advertising and publicity of various kinds play an important part in our lives. If the sentiment in favour of unemployment insurance is crystallized, those backward provincial governments, which would like to build a Balkan states of Canada, would have to give way to enlightened opinion. In my opinion such enlightened opinion should be fostered and extended by the federal authority.

Mr. ROGERS: I do not think I can do more than take that proposal under advisement at the present time. I believe the hon. member will realize that it is not possible to do more than that. The leader of the opposition, as I understand it, suggested that the draft bill might be published without the financial provisions.

Mr. BENNETT: I mean that there would be blanks as to contributions by governments.

Mr. ROGERS: Yes; that would, of course, deprive the bill of what would be one of its most important provisions.

Mr. BENNETT: Oh, no, you would be leaving out the question of contributions by employers and employees, and leaving the question of contributions by the government blank, because it would have to be preceded by a message. I think one might get a fair grasp of the general principles of the bill, having regard to the fact that the bill placed upon the statute books was one which was prepared in the light of knowledge obtained from the British labour office in connection with the operation of their act.

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[redacted]

(2)

FOR THE PRIME MINISTER

C151278

FOR COUNCIL: June 23rd, 1938.

SUBJECT: Unemployment Insurance;

REMARKS: Mr. Pickering's memorandum of June 23rd attached;

CONSIDERED BY COUNCIL:

ACTION TAKEN: Answer to be made by Mr. Rogers, as amended.

E.A.P.

DISPOSED OF:

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C151279

Ottawa, June 23rd, 1938.

MEMORANDUM FOR THE PRIME MINISTER:

Re: Unemployment Insurance

Attached is Mr. Neill's question which, if the Prime Minister approves, Mr. Rogers proposes to answer himself, in view of the fact that the question was first raised in the course of his estimates. Attached is a copy of the draft answer which has been given to Mr. Rogers who intends to bring it before Council this morning, and to table the remaining correspondence when the answer is made.

E.A.P.

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Unemployment Insurance P-652-2 1938

O-725

[redacted]

C151280

Ottawa, June 29th, 1938.

MEMORANDUM FOR THE PRIME MINISTER:

Mr. H. B. McKinnon, in the course of a conversation this morning, agreed that there would be no particular purpose to be served by his raising, at this session, any further questions with respect to unemployment insurance.

E.A.P.

P/R

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[redacted]

C151281

July 4, 1938

Memorandum for the Prime Minister

Re: Mr. Pouliot's articles in La Presse

The attached is the concluding article of a series by Mr. J. F. Pouliot, M.P., which have appeared weekly in La Presse during the session.

In this one he points out the difficulty of amending the constitution, and adds:

> "The simplest thing is, then, not to amend the constitution, and to abandon the federal project of unemployment insurance. That is what the King government has decided on, and we congratulate it on the decision."

He then proceeds to quote the Prime Minister's reply to Mr. Barber's question, on June the 6th, 1938, and concludes that it was intended as an announcement that the government had definitely abandoned "unemployment insurance."

E.A.P.

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C151282 [redacted]

August 22,1938. M-125 v.2.

Memorandum for Fyle

Professor Richter's article on "Limitations of Unemployment Insurance.

This paper examines the effect in the United Kingdom of legislation on this subject in recent years, points out how far similar provisions might (or might not) be expected to apply in Canada, and compares with the British experience the intended application of the Employment and Social Insurance Act, 1935 (ruled constitutionally invalid by the Supreme Court of Canada and the Judicial Committee of the Privy Council).

Among suggestions of interest in this article the following may be noted:

1) proposals that persons certified as unemployable on reaching age 60 should become pensionable;

2) the Unemployment Assistance Board (1934) is declared to have made it possible "to see each unemployed person as a separate and distinctive case needing aid" and (by implication) "to treat each one as such".

The article envisages a situation in which, looking to prevailing conditions, the administration of unemployment relief in Canada will become increasingly concentrated in large urban centres. There is a suggestion that the whole matter would be better removed entirely from provincial and municipal jurisdiction if uniformity of treatment is to be encouraged and the curtailing of civil rights (especially franchise) restrained.

J. A. G.
J. A. Gibson.

JAG/LAM

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Unemployment [redacted]
British North America Act -
Amendment

C151283

Ottawa, December 21st, 1938.

FOR THE PRIME MINISTER IN COUNCIL:

Re: Unemployment Insurance

Attached are:

1. Memorandum dated April the 22nd, re Unemployment Insurance, together with draft statement bearing your notation, "Read to Council and approved, December 29th".

2. Memorandum dated February the 24th re Unemployment Insurance.

3. Transcript of the Prime Minister's notes, dated January the 23rd, re Unemployment Insurance.

A. D. P. H.

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bk 214.

X-100
bl 10(b)

C151284

Ottawa, January 10th, 1936.

Private

Relief Commission Staff

Without at the moment burdening you with the details of arguments pro and con as to the wisdom of placing the executive staff of the proposed Unemployment Relief Commission under the Civil Service Act, it may be noted that such action would facilitate the seconding to the service of the Commission of persons within the Civil Service whose talents might be employed, with profit to the country, elsewhere than in their present positions.

I have discussed this point with the Chairman of the Civil Service Commission who feels that a policy tending toward the greater mobility of civil servants, is good. I therefore take the liberty of asking that you will give this point your consideration when the question of staff is under discussion.

Harry Baldwin

Copy to:
Prime Minister,
Minister of Labour,
Under-Secretary of State
for External Affairs.

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C151285

OFFICE OF THE PRIME MINISTER

[redacted]

MEMORANDUM

(1)

Mr. King,

Mr. J.A. McKinnon M.P. asks if a decision has been reached as to the number of representatives from Alberta on the National Employment Commission.

A number of names have been put forward and Mr. McKinnon says that he and Mr. Gardiner would like to be in a position to weed out the list and make the final recommendations.

H.R.L. Hendry

Mch 3. 1936

NO

Mr. McKinnon advised 4/3/36

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OFFICE OF THE PRIME MINISTER

MEMORANDUM

C151286

Jan. 11, 1936

Mr. Pickering:

Mr. King has asked that the name of Mr. Nelson Parliament be added to the list of names to be considered with regard to the Unemployment Commission.

Miss Schuyer: Miss L. Zavitale

Pls. add to your list.

Earl

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U.I.B.I. Oct 1935

Coll - Unemployment Insurance

[redacted]

Employment and Social Insurance Commission C151287

Jan. 21, 1935:

Resolution moved.

Jan. 29th:

#8

Bill introduced and first reading.

Mr. King made reference to question of jurisdiction, and expressed regret that legislation left until last session.

Feb. 12th:

Motion for second reading debated.

Mr. King discussed Liberal attitude and resolution adopted at Liberal convention 1919; conditions when Liberal administration in office; question of jurisdiction and amendment of B.N.A. Act.

Feb. 14th:

Motion for second reading debated;

Mr. Lapointe re necessity of national scheme, and question of jurisdiction.

Feb. 18th:

Motion for second reading agreed to on division - Yeas 101
Nays 81;
Second reading considered in Committee of the Whole and progress reported.

Feb. 19th:

Considered in Committee of the Whole.

Feb. 21st:

Considered in Committee of the Whole and progress reported; Mr. King re laying foundation of a scheme of national health insurance; amendment moved Section 48.

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March 7:

Again considered in Committee of the Whole;

Mr. King re deletion of words "and terms of imprisonment not exceeding three months" from Section 38, paragraph 1.

March 8:

Again considered in Committee of the Whole.

March 12:

Motion for third reading;

Mr. Guthrie moved in amendment thereto,- That the Bill be not now read the third time, but that it be referred back to the Committee of the Whole with instructions that they have power to amend Section 33 -(Civil proceedings by employee against employer for neglect to comply with act)- by inserting following subsection immddiately after subsection (1):-

"(2) Proceedings under subsection (1) of this section may at the instance of an employed person be instituted by the commission on behalf of such employed persons."

Amendment agreed to.

Again considered in Committee of the Whole; reported further amended; considered as amended;

Mr. Woodsworth, seconded by Mr. Mitchell, moved amendment to Section 33; amendment negatived on division - Yeas 65, Nays 86;

Mr. Garland (Bow River), seconded by Mr. MacInnis, moved amendment to Section 17; amendment ruled out of order.

Motion for third reading agreed to on division - Yeas 125; Nays 5;

Third readings — Mr. King re press report of expected division on constitutional angle.

Bill passed.

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C151289 M-125 Vol. 4

[redacted]

MEMORANDUM FOR MR. KING

Tom Moore says that Mr. Harrington left on Thursday last, January 23rd, in the afternoon, and that he does not expect him to return.

H.H.
R.L. Henry

January 27, 1936.

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C151290

[redacted]

COPY

THE EMPLOYMENT AND SOCIAL INSURANCE COMMISSION

Col. G.S. Harrington, K.C.,
Chief Commissioner

January 21st, 1936

Dear Mr. Prime Minister:

You will remember my letter of last November which set out matters affecting the Employment and Social Insurance Commission to that date and enquiring as to the Commission's future. It was your wish then that as you were leaving the City the affairs of this Commission should stand until after your return when you would discuss them with me.

It was my desire in my former letter to give you a summary of the situation and to make clear that not only would the creation of an organization necessary to carry out the provisions of the Employment and Social Insurance Act be an extensive and intricate piece of work but the administration of the scheme afterwards would be at all times exacting.

Since the Government assumed office in October last no member of it has communicated with this Commission concerning the matters confided to us by the Statute. The Government's course of action and statements relative to this Commission have been taken and made without any reference to or enquiry of us. When Departments of Government were requested to draft estimates of expenditure for the coming fiscal year this Commission was not notified to do so. The solicitors preparing the case for the validity of our Act did so without consultation or contact with us. In short, there has been a complete absence of intercourse between the Government and this Commission while at the same time Government statements given the press have intimated that some of the matters confided by Statute to this Commission are to be administered by a new Commission yet to be set up.

A reference to determine the legal status of the present Act must be subservient to the general questions of whether the Government desires to institute National Labor Exchanges and a National System of Unemployment Insurance and, if so, whether it will administer

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these provisions by an independent Commission or Departmentally. The Minister of Justice is reported recently to have said in effect that the Government desires either to be satisfied that the present Act is valid or to ascertain the constitutional amendments necessary to institute a valid system. If that is the Government's attitude then much valuable time has passed unused. A reference to determine the validity of the levy of contributions will not be final until the Judicial Committee of the Privy Council has passed upon it. In any event it would be impossible to impose such levies for many months. If on the other hand it is intended ultimately to proceed with the scheme all these many months are required for preparatory work necessary before any system can be brought into effect with an expectation of working satisfactorily.

The enumeration of some of these preparatory matters will illustrate the point: The type and location throughout the Dominion of regional, district, branch and sub-offices and arrangements for agencies; the procedure to be followed in these offices with the drafting of the necessary forms and returns; details concerning the collection of contributions and the disbursements of benefits; the methods for the collection, maintenance and transference of particulars of information concerning some two million individuals; drafting essential regulations governing employers and employees; and the consideration of a myriad of similar details necessary to transact such an intricate business before it can be expected to function with any degree of satisfaction. All of this requires some staff and organization and since this Commission is dependent upon the Civil Service Commission for the appointment of all our officers, clerks and employees, and, has so far received none, our business has been practically at a standstill for some three months.

It has been possible for the two Commissioners appointed on behalf of working people and employers, respectively, to occupy their time with matters of special concern to these two groups, but for the Chief Commissioner not charged with the duty of representing any particular interest, and therefore without any special business to administer there has been a period of over two months of almost complete idleness.

With this background you will appreciate my feeling that the situation lacks evidence of that cordial co-operation between

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the Government and the Chief Commissioner without which it would be difficult if not impossible for anyone successfully to administer such a delicate business. Appreciating the difficulties confronting a new government and realizing the importance of this measure to so many people in Canada it was my desire to pursue a course that would cause no embarrassment and would not jeopardize the future of the plan. Reluctantly it has been borne in upon me, however, that neither pressure of business nor accident explain the total failure of communication for a period of three months, and that my association with the Commission may not be helpful to the cause of social improvement provided in this measure. I have decided therefore to terminate my connection with the Employment and Social Insurance Commission. To leave the field free for such action as the Government may wish to take appears the course best suited to the circumstances that have developed.

You may accept my assurance that I have no feeling in this matter but quite the reverse and shall be glad, if you desire me, to assist my successor as far as lies within my power.

Yours faithfully,

Sgd. G.S. Harrington.

The Right Hon. W.L. MacKenzie King, P.C.,
Prime Minister of Canada,
Ottawa, Canada.

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COPY

C151293

THE EMPLOYMENT AND SOCIAL INSURANCE COMMISSION

Col. G.S. Harrington, K.C.,
Chief Commissioner

Ottawa, 1 November 1935

Dear Mr. Prime Minister:

The Employment and Social Insurance Commission has several duties confided to it, amongst them and of primary importance being the organization of an employment service throughout the Dominion and the institution of a National system of unemployment insurance.

It has been estimated that the insurance scheme alone will embrace between 1,500,000 and 2,000,000 workers in the Dominion located everywhere from the Atlantic to the Pacific. These workers and their employers contribute weekly to the Insurance Fund and particulars of them and the types of employment must be recorded currently. It has been estimated that this joint fund towards which the Government contributes 20% will amount to over $40,000,000 a year and approximately this total will be disbursed annually by this Commission in small weekly benefits to an average of 150,000 to 200,000 unemployed.

This subject naturally divides itself into two phases, namely, one of organization and the other of administration.

It will easily be seen that the organization necessary to administer these provisions must be widespread and intricate. It must provide facilities for recording particulars of the workers covered by the Act and allow them access to some office or agency to register their unemployment in order to obtain positions or to establish their claims to benefits.

The Employment and Social Insurance Act requires the whole permanent staff under this Commission, not merely the officers and clerks, but also all other employees, to be selected in pursuance of the Civil Service Act.

While the work of organization may be delicate it is no more so than the administration of the scheme when once it commences

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to function. Questions will continuously arise as to the validity of the claims made, anomalies affecting somewhat similar classes but in different employments and procedure for running the offices methodically and with the highest degree of precision. It is unnecessary to mention that two million clients contributing towards the fund are potentially two million critics of any inefficiency or shortcomings in the staff or administration.

Two of the Commissioners are selected as representing what may be termed special interests affected by the Act, namely, workers and employers. The Chief Commissioner on the other hand represents no particular interests but is presumed to be able to hold an even balance and give a fair and efficient administration.

The Act contemplates continuous and sympathetic access by the Chief Commissioner to the Government. Regulations fixing classes to be included or excluded, regulations relative to procedure, regulations relative to the establishment of claims, in short, all regulations require the approval of the Government and the necessity for them will arise very frequently. In addition there are a number of other points that will arise from time to time which it is the duty of the Commission to submit to the Government for approval. These measures are endangered by many pit-falls that can be avoided only by the exercise of great care and pains-taking administration. For many years organized labour and many other bodies have considered unemployment insurance an advanced social measure as tending to relieve workers from the fear of want due to temporary lay-offs. On the other hand it has, especially in its contributory form, what might be termed natural enemies, and its operation is at all times delicate.

This Commission was appointed on the 20th of July, held its first meeting on the 26th of July, and at once proceeded in collaboration with the organization branch of the Civil Service Commission to design an organization necessary to carry into effect the provisions of the Act. The plan of organization as finally agreed was approved by the Governor-in-Council in the month of August and it was decided to fill the eleven major posts in it. Ten of these were to be filled by advertisement and competition by the Civil Service Commission, the eleventh was to be filled by a transfer of the Director of Employment Service from the Department of Labour. The competitions for these positions closed on the 9th of September but no appointments have as yet been made. The Chairman of the Civil

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Service Commission, however, under date of October 30th, now advises that his Commission is in a position to make 5 of the appointments if it is the desire of the Employment and Social Insurance Commission and the policy of the Government that they should do so. In his letter, a copy of which is enclosed, the Chairman further states that his Commission hesitates to make appointments which might conceivably be abruptly terminated either by Government policy or by decision of the Courts and that before taking action in the matter he desires to receive any advice or comments which I might deem proper under the circumstances. It has been no part of my duty as Chief Commissioner to participate in or interfere in any way with the selection of the staff nor have I done so. Such staff as we have at present has been furnished us temporarily through the kindness of the Civil Service Commission.

Quarters have been engaged at the Jackson building and a floor there has undergone alterations to suit the requirements of the Commission.

This Commission reports to the President of the Privy Council and I trust this brief statement of our position may be of some value to you in the circumstances in which a new government is bound to find itself with many pressing problems from many different directions. At the moment, however, I find that delay in making appointments to the staff has brought the work of the Commission practically to a state of suspension and would therefore welcome a statement at your convenience as to the future of this Commission which will enable me to reply to the questions submitted by the Chairman of the Civil Service Commission.

Yours faithfully,

Sgd. G.S. Harrington.

Right Honourable W.L. MacKenzie King, C.M.G.,
Prime Minister of Canada,
Ottawa, Canada.

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COPY

C151296

CIVIL SERVICE COMMISSION OF CANADA.

Ottawa, October 30, 1935

Dear Colonel Harrington,

As you are aware, the Civil Service Commission has, for some time, been making a careful examination of the qualifications of the many candidates for the key positions on the staff of the Employment and Social Insurance Commission for which applications were invited. A competent Board of Examiners has been engaged for some weeks in examining into the statements of training and experience given by the applicants on their application forms, and has also orally examined a number of the most promising candidates. The report of the Board of Examiners is now before the Commission with reference to the positions of General Executive Assistant; Chief, Insurance Division; Chief Inspector; Secretary; and Chief, Services Division, and the Commission is in a position to make appointments thereto if it is the desire of your Commission and the policy of the Government that we do so.

We would, of course, hesitate to make appointments which might conceivably be abruptly terminated either by Government policy or by decision of the Courts, and before taking action in the matter we should be pleased to receive any advice or comments which you might deem proper under existing circumstances.

Yours faithfully,

Sgd. C.H. Bland,
Chairman.

Honourable G.S. Harrington,
Chief Commissioner,
Employment and Social Insurance Commission,
Ottawa, Ontario.

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Relief Act, 1934 — Coll - Unemployment policy

Protest time legislation brought in C151297

previous years;

present position, if not past.

Protest against absence of data. - figs

Re suggestion re Commission.

Protest against legislation itself -

all objectionable features of

previous legislation.

Everything turned over to Governor in Council.

Delegation of powers.

(1) Blank cheque -

re auditing.

(2) Blanket authority to legislate.

Instead of helping unemployed

help ~~provincial~~ financial concerns return.

How powers abused -

C.P.R. guarantee.

(3) Additional features -

Committing to expenditure beyond year.

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RESTRICTED

C151298

This is year of General Election -

not emergency,

but general election.

Provinces.

Telegram from mass meeting British Columbia.

Whither.

Dictatorships throughout Canada.

See at nought institutions to preserve

liberties, etc., of people.

Problem remains what it was -

Nothing constructive.

No plan - either temporary or permanent.

No measure of any kind -

save dole.

Should regard problem as national one.

Should have Commission.

Should have plan of unemployment insurance.

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Coll - Unemployment policy - [redacted]

C151299

Unemployment — unrelated to world conditions

Interference with trade has re-acted, in turn, on employment and made it necessary for governments to resort to measures which would not be needed if normal conditions prevailed;

To the relief of unemployment itself has been added, in recent years, the relief of the distress among the Western farmers, caused by the unprecedented drought;

Fortunately, in the past year, weather conditions have improved greatly in the distressed area, and it is gratifying to be able to report that acute agricultural distress has materially lessened in recent months;

In spite of all the adverse external factors, employment in Canada has been maintained at a gratifyingly high level, but so long as the problem of unemployment retains its present proportions, it cannot be regarded complacently; (See statistical table attached.) #2

Militarism no solution:

Many countries have absorbed all, or most of the unemployed through tremendous expansion

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C151300

of their national armaments, and through conscription for military or quasi-military service;

Canada wants no such solution to her problem of unemployment;

We have sought ways of meeting the problem which will not involve the regimentation of our people, or the destruction of our free economy;

Responsibility for meeting the problem is constitutionally divided: municipalities, provincial governments, and the national government all have their share;

Record shows that the Federal Government has steadily assumed an increasing burden;

During the last three years government have attacked problem in a variety of ways;

Their sane economic policies have encouraged the revival of business and consequent employment;

Where industries have been especially slow to recover - particularly the building industry - various measures have been adopted to give added stimulus;

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The success of the government in stimulating building has been particularly gratifying in recent months, especially where the local and provincial authorities have co-operated whole-heartedly;

(Figures being obtained from Department of Finance.)

Employment has also been fostered through well-conceived public works, and through special projects for farm employment, and for forest conservation; but a hard core of unemployment has remained, and direct relief has been provided to alleviate the distress of the unemployed;

To this direct relief the Federal Government has contributed generously through grants-in-aid to the provinces;

It is apparent to all that division of powers and responsibilities, and uncertainties of jurisdiction between the Dominion and the Provinces have complicated the problem of coping with unemployment, and with social services generally;

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This was one of the important considerations which prompted the government to appoint the Royal Commission to investigate Dominion-Provincial relations;

The government are convinced that a re-definition of constitutional responsibilities in the light of modern conditions must precede a permanent solution of these difficult problems;

In the meantime, something must be done:

The problem will not stand still while Royal Commissions report, Conferences deliberate, and the Constitution is amended;

The Government intend to take further active measures to stimulate employment, recognizing that, where economically possible, employment must be substituted for relief, and the human deterioration which inevitably accompanies it;

The long-range programme of public undertakings is being pushed forward vigourously and will be extended further;

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Apart from purely federal projects, the government intend to suggest to the Provinces a scheme for substituting work for relief in municipalities which are prepared to make the change;

The Minister of Labour will consult the appropriate authorities in all the provinces, with a view to making the new arrangements as early as possible, and get the actual work under way as soon as Parliament and the provincial authorities are prepared to approve it;

The Government have been particularly gratified by results of the Youth Training Programme, especially in provinces where the provincial authorities have fully co-operated;

Originally an experiment, it has now been decided to put it on a firmer and more lasting basis, and to extend its scope.

National Conservation Service:

Does the Prime Minister wish to outline a scheme, or will he merely refer to it in general terms?

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Coll - Unemployment Policy

Unemployment

[redacted]

C151304

Liberal Govt

METHOD OF DEALING WITH PROBLEM Summer 1932

A - As General Problem
B - As Emergency - Relief

A - Provide employment - make as continuous as possible
government's policies generally - this concerns all-
municipalities, provinces, Dominion
always present to help co-operatively
always present specially in emergencies

Dominion's Action in Meeting Enemployment
1. Re public works
2. Re Railways
3. Re Car Ferry PEI
4. Re Subsidies - iron for oven and coking plants
5. Branch line construction
6. 8 hour day government employees

B - re Emergency
Government will help on representations from provinces -
federal assistance in form of contribution or otherwise
none made
Ferguson's statement

Note Subsidies Given to Provinces

Bennett's Suggestions
1. More in way of protection
2. McCrae - immigration scheme - $300,000,000 = 300,000 immigrants
3. National Highway - already largely built by federal-provincial funds - national parks - further prosecution of highway under federal-provincial control XXX
4. Special session = $2,000,000 - cannot be called until Sept - no indication of programme - nothing said by Bennett in fact wanted special session on tariff

Federal Suggestion
1. Conference on unemployment in August - all busy now on suggestion - Governor General's warrants - practical constructive co-operative effort on part of all in position to provide employment
2. Turned over say in immigration more largely to province

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[redacted]

3. Natural Resources transferred to Western Provinces = same sources industry and employment - Sask Speech from Throne

   also following - to Manitoba - in cash and subsidy
   in ca- to Sask in subsidy
   to Alberta in subsidy

4. Budget designed especially for Western Provinces
   employment due to market for wheat
   goes to roots of question of unemployment
   Government giving up one and one half years office to place before people

Note policies on trade

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(4)

Contributions of Liberal Administration to Employment C151306

45,000 old people, who passed the age of 70, and are receiving old age pensions: $40.00 per month - married
20.00 " " - unmarried

57,000 direct pensioners (Men who were injured or disabled during the war);

140,000 indirect pensioners (Wives and children)

Pension paid to above 200,000 persons are, in the case of complete disability $100 per month and in the case of indirect pensioners, ranging from a maximum of $150 or thereabout.

The pensions paid by the Dominion Government are the highest in the world.

-- $20.00 higher than the American pensions who are highest.

An amendment to the Pensions Act was passed at the last session providing that men who had, in 1922, 1923 and 1924, unwisely commuted their pensions, be permitted, though the commutation had been made at their own request, to rescind their decision.

It is estimated that 12,000 persons will return to pensions. They will receive, by the reestablishment of their pensions, the amount of their pension, less the amount for which they commuted, on the average which they receive.

Thus 12,000 will have returned to them the balance of the unearned pension.

$6,500,000 will be available for this.

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To the 2,000 men (approximately) who have reached the age of 60 or over, or have not reached that age but are worn out and unable to take employment, will be paid this year between $1,500,000 and $2,500,000.

Relief paid to pensioners and dependents during season of unemployment: Between $500,000 and $600,000.

There are between three and four thousand persons in hospitals who are receiving free treatment. While there, the pensioners are getting what is known as "paying allowances", their families are taken care of. They are considered 100% disabled when they are in hospitals.

Extension of treatment for returned soldiers who are non-pensionable, owing to non-pensionable diseases

There are from 300 to 400 soldiers, who are non-pensionable but require hospital care or institutional care (Incurable diseases in most cases) for whom provision is made.

$45,000,000 written off the Soldiers Settlement Board debt, of which $15,000,000 were written off during last session.

(Made up by writing off interest, revaluation of lands, stock and equipment)

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Number of persons receiving pensions from Dominion Government:

Old Age Pensions	45,000
Direct Pensioners (Returned men)	57,000
Indirect "	40,000
Under "commuted pensions"	12,000
Veterans' allowance,	2,000
Total:	156,000

Employment also provided by award of contract in Canada for the construction of a car ferry at a cost of $1,000,000 etc.

" also provided by Government subsidies on movement of coal; (This may cost as much as $6,000,000)

" also helped in some measure by Government policy on Maritime freig t rates.

Reference to "Crow's Nest Agreement".

The reduction in freight rates made by present Administration has realized in profits, for the provinces of Alberta and British Columbia alone, $30,000,000 during the period 1923-1933.

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Labour
3

Coll- Unemployment policy.

Liberal Policy re Unemployment

Government realizes course proposed by Liberals was right one. C151309

(1) Dominion-Provincial Conference, at which finances to be reviewed.

(2) Discontinuance of grants in aid pending readjustment of subsidies.

(3) Recognition of unemployment as national problem in then existing conditions.

(4) National Commission to co-operate with provinces and municipalities.

(5) National system of Unemployment Insurance.

(6) Rigid adherence to procedure and practices to safe-guard treasury and maintain control of Commons over taxation and expenditure:

(a) Public monies to be voted for specific purposes;

(b) Control by federal authorities over expenditure of federal money;

(c) Complete auditing by federal authorities of all federal expenditures.

(d) Avoidance of blanket authority.

- Failure to comply with these has led to unwarranted extravagance, colossal waste, vast increase in debt and taxation.

Liberal Policy would constitute Plan for National Recovery.

Above proposals, combined with Liberal policies for reviving:

trade and industry,
control of credit and investment,
democratization of industry,

would constitute far-reaching plan for national recovery.

Government has gone in opposite direction

with results worse than when their policies

first put into force.

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Liberal Suggestions re Unemployment

1. Commission on Unemployment Relief - Personnel to be based on recommendation of committee.

2. Advisory Board on Unemployment Relief of experts - to function under Industrial Research Act.

3. Committee of Parliament.

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K. Bon
S.O.

National Unemployment Commission

Organizations to which representation might be given:

Canadian Council on Child and Family Welfare;

National Council of Women;

Salvation Army;

Trades and Labours Congress;

Council of Agriculture;

Chamber of Commerce;

Canadian Legion;

Canadian Red Cross Society;

Community Welfare Council of Ontario;

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Coll - Unemployment policy

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Mr. Bennett's Record re

Control Wrested from House of Commons

1. **Expenditure and Taxation:**

(a) **$30,000,000 vote**, Special Session 1930 -

no specific appropriations.

(b) **"Blank Cheque"** provision of Relief Legislation

enacted Session 1931 and at subsequent Sessions.

(c) **Loans:**

Under Relief Legislation, executive took power to

make loans without approval of Parliament.

(d) **Guarantees:**

Also took power to guarantee loans without

approval of Parliament;

Guarantees made re -

Newfoundland,

Beauharnois,

Steel Companies,

Provinces,

C.P.R.,

Wheat.

- see complete statement of Guarantees made under Relief Legislation.

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2. "Peace, Order and Good Government"

At Session 1931, and each subsequent Session -

Government took power to legislate by Order-in-Council on any subject under this heading;

Action taken under

i. - Prohibition of export of gold;

ii. - Revaluation of securities of insurance companies and banks for balance sheet purposes.

3. Railways:

Government took C.N.R., out of hands of Board of Directors appointed by Government at pleasure;

Placed in the hands of Board of Trustees appointed for fixed term;

Control, not by H. of C., but by Tory appointees.

4. Bank of Canada:

(a) Control over currency and credit taken from Government and vested in private corporations;

(b) National currency handed over to Bank by Department of Finance -

$69,000,000 in gold actually transferred.

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5. Marketing:

(a) Marketing Act permits Executive to prohibit import of any regulated product; also to prohibit export of any natural product;

(b) Gives Executive, not Parliament, power to approve schemes for marketing, and to make regulations having force of law.

6. Wheat:

(a) Wheat Agreement not authorized, or ratified, or even presented to Parliament;

(b) Policy of scarcity inaugurated without consent of people's representatives.

7. Titles:

Restored by Executive action, in defiance of resolution of H. of C.

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Call - Unemployment Policy
[redacted]

C151315

66 - Public Works Construction Programme

Emergency one of Government's position in appealing to people, if otherwise, measure should have been brought down months ago. Parliament voted $40,000,000. on eve of General Election.

Bill does away with necessity of tender of contracts over 5000.

$40,000,000. charged to relief ought to be part of general expenditures. Unfair allotment of work - (See Exhibit re).

Expenditures re police, military barracks, - (See Exhibit re).

Minister Public Works did not think it advisable to go to expense of publishing precis in Gazette. Willing, however, to spend $40,000,000. Reason Minister does not wish public to know how monies being spent.

Should be some section to limit time for which appropriations made.

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Re: Construction of Public Works.

Emergency Measure.

Emergency that of general election, rather than unemployment.

Two reasons for so believing:

(1) Permitting at this time contracts to be awarded without tender, which has not been attempted in the past four years.

(2) Having monies, to be voted for public works, made part of schedule, instead of being brought in in form of Supply Bill, and subject to same conditions as all bills involving expenditures.

Fundamental reason for appropriating monies in this way is it affords Commons opportunity of voting non-confidence in Government.

This step denied by this measure.

It takes amounts, credited to expenditure of public works, from amounts which should be credited for relief of unemployment.

Provision re $25,000 contrary to provisions of Public Works Act.

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Unemployment policy

C151317

Memorandum on Unemployment

The causes of and the cures for unemployment are nearly always approached from the purely economic side -- price levels, industrial expansion, etc. It is, therefore, an unusual, but perhaps a more logical -- certainly a more direct -- method to approach them from the population side. The population method of approach examines the supply of labour, its habits and psychology.

One of the chief obstacles in the way of a clearer understanding on the subject of unemployment is the loose way in which the term is used. At the census of 1931 (on June 1) 470,000 were recorded as unemployed; a few months later an estimate of unemployment was called for and criticized as being too low because it did not include persons who, if a census were then taken, would not be considered as unemployed, viz., young persons who had no occupation and had never worked, and other persons who although ordinarily occupied were not in the class of wage-earners. The confusion arising from using the term in many different senses is obvious. The census figure of unemployment refers only to persons who are in the class of wage-earners, and who can state the occupation at which they have worked or to which they have been trained. This definition seems to agree with that understood whenever any plan of insurance is brought up in any country. It is next to impossible to make writers on the subject adhere to it or to any single definition; and yet a departure from it may increase or decrease an estimate of unemployment (in Canada) by hundreds of thousand.

The Population Elements in Unemployment.

To take a particular year (1931) the facts of the population side of employment and unemployment were as follows:

1. The total number of wage-earners was 2,570,097 persons over 10 years of age -- 2,022,260 males and 547,837 females. It was out of this number that the 470,000 not at work on June 1 came.

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2. Now leaving the population 10 years and over and referring only to persons 15 years and over as being more logical, there were 2,946,731 -- 2,001,609 male and 945,122 female -- wage-earners. Any seriously considered figure on unemployment referred to these persons.

3. In addition to these persons there were 1,361,858 -- 1,243,426 males and 118,432 females -- who were gainfully occupied but not wage-earners.

4. Still in addition to these there were 800,926 -- 236,378 males and 564,548 females -- who were over 15, but were in no category of employment; nor were they at school nor in institutions nor married females. Of these, 204,624 (both sexes) were over 70 years of age and thus ~~mostly~~ for the most part not expected to be employed, but to offset some of these, 42,949 married women were wage-earners, and ~~385,509~~ the 375,500 persons over 15 at school contain a large number who were either at school only a part of the year or under ordinary circumstances would be at work. It should be mentioned that 200,000 persons were on income but as a large part of these were over 70, widows, etc., it is safe to say that very nearly 700,000 persons over 15 and under 70 were not wage-earners, nor otherwise gainfully occupied, nor accountable under any form of occupation except perhaps working at home. Some of them were girls at home on the farm, (farmers' sons were regarded as occupied). About 195,000 of the persons thus in no category of occupation were between 15 and 19 years of age.

5. In amplification of the picture it may be mentioned that 105,000 males and 102,000 females were at the age of 14 with slightly larger numbers at younger ages; i.e. that roughly 100,000 of each sex (after allowing for deaths) have been coming of working age every year since 1931. This figure will continue to increase for about five years more after which it will slightly decrease owing to lowering birth rates.

6. Still another element enters the picture, viz., the increasing number of females remaining single owing to the lowering marriage rates; these would ordinarily be displaced by the boys and girls coming of working age.

7. Another element entering the picture is the familiar one of the immigrants. These mercifully have of recent years become almost a vanished quantity but shortly before 1931 they were entering at the rate of 89,000

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a year and in 1928 at the rate of 170,000 a year. Of these say half were experienced workers likely to out-rival the young native born competitors for jobs.

8. Still another element to be considered is the children under 15 who were employed, some of them in large numbers particularly in Quebec.

9. Still another element, but a small one, is the increasing numbers due to a gradually lowering death rate.

This practically exhausts the sources of supply, unless one may add the increasing tendency for females to enter gainful occupations.

The other side is the numbers who tend to go out of the picture.

1. In the same year (1931) 23,181 male and 2,250 female wage-earners were over 70 years of age; i.e. have been probably eliminated from the ranks since 1931; further 42,743 wage-earners were between 65 and 69 and 179,436 were between 55 and 64; i.e. 222,179 were over 55 years in 1931, (out of 2,547,000 at all ages over 15). The total over 55 years of age, therefore, just about corresponded to the number who come of age every year. Clearly their elimination would be a very temporary palliative, because, after the first sweep, only about 22,000 could be eliminated by this means every year to make room for the 200,000 coming of age.

2. The yearly number of deaths of wage-earners between 15 and 59 may be estimated at 19,000.

3. The yearly number of women marrying may be estimated at 70,000 but, as already mentioned these do not altogether go out of the picture for nearly 43,000 married women were in the ranks of wage-earners, while many others were widows.

4. The emigrants.

5. The possible number going into the own account class, ~~farm~~ e.g. back to the farm.

Now to go back to the 470,000 who were unemployed on June 1,1931. For the 2,570,000 wage-earners there were then 2,100,000 jobs. Suppose by industrial expansion these jobs had increased within a year to 2,570,000. Clearly this would not mean that the 470,000 unemployed would be absorbed

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thereby, even if they had all been willing to go back to work. They would have to take their chance with the following (to summarize):

	1,361,858 who were in the own account class and leaving it pari passu with industrial expansion.
	200,000 who had come of age.
about	700,000 who were in no category of employment.
at least	100,000 immigrants and the other sources of supply mentioned.
TOTAL	2,361,858

From these could be deducted those mentioned as leaving the picture, but these may be largely neglected since the sources of supply not included in the total would about offset them. Let us leave the total at a round number, say 2,200,000. It is true that all of these 2,200,000 would not be as easily moved into new jobs or as successful applicants for the new jobs as all of the 470,000 but it is a question whether this point should be raised, since a large number would be more successful, particularly, but not altogether, the immigrants by virtue of their age and willingness to accept lower wage at the start and because some of the 470,000 were probably chronic unemployables and rather past their prime. It would be surprising if half the 470,000 unemployed would be absorbed by the 470,000 new jobs.

This readily explains why as the volume of employment increases the number unemployed does not decrease pari passu. It also explains many other things still more fundamental. It explains the chart facing page 6 of the Memorandum on the Volume of Unemployment since 1921, which chart was constructed from a much more minute study of the situation than the above.

It will have been noticed that in 1931 the number represented by all the sources of supply mentioned plus the 470,000 wage-earners ~~then employed~~ was about 2,600,000 in addition to the 2,100,000 wage-earners who were in jobs. It can not be objected that the 1,860,000 of these were gainfully occupied, for it can readily be proved that these were leaving the own account class and becoming wage-earners with the increase in wage-earning jobs. The increase in wage-earners between 1921 and 1931 can be shown to be mainly from these, from immigrants and from women, not from the growing population, i.e. those coming of age. They, therefore, may be considered a legitimate source of

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supply for the wage-earning class and competitors for new jobs. Consequently as the volume of employment increased all these sources of supply would be called upon. If employment had kept on increasing at the 1926-29 rate -- even if immigration had been stopped -- the supply would ~~be available~~ not be exhausted until the volume of employment considerably more than doubled what it was in 1931 and that without any increase in the population of 10 million. With such a supply always at hand it can readily be seen that there was constant unemployment even in the peak years of 1927-29. The new jobs were ~~manufacturing~~ creating new wage-earners who once they worked in that class were considered "unemployed" as soon as they left their job. It is estimated that nearly 11 per cent of the wage-earners were unemployed on an average for 1921-31. Seasonal variations in employment would have the following effect. The busy season would draw persons who were not before wage-earners; the slack season would throw them out. They were now "unemployed". Three or four months before they were probably "gainfully occupied" or idle but until they had passed into the category of wage-earners they would not be counted as "employed".

Contraction in employment can be shown (if long continued) to drive persons back from the ranks of wage-earners to that of own accounts or to keep young persons at school or from entering the ranks of wage-earners. Consequently the number "unemployed" does not increase pari passu with decrease in the volume of employment. Definite figures have been avoided to save time but the process is shown in Table 1 of the already mentioned memorandum.(1) Since the findings in this memorandum concur with studies made in England and recently published they are believed to be quite sound.

Now it is hardly conceivable that without any increase in population the volume of employment could keep on increasing until it doubled what it was in 1931. If the population increased, especially by immigration, the source of supply would increase still faster than described and the task of eliminating unemployment would become still more difficult. It follows, then, that industrial expansion alone cannot be counted on to eliminate unemployment. It may reduce it temporarily to the average of about 10 or 11 per cent, but not permanently, for increase in jobs only serves to draw upon the sources of supply

(1) Memorandum on the Volume of Unemployment since 1921

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mentioned as well as upon the existing unemployed. It suggests that many so-called cures can be but mere palliatives. There are apparently two ways of eliminating unemployment (1) industrial expansion to a degree that the volume of employment is doubled what it was in 1931 without increasing the population, or if the population increases, to increase the volume of employment to a point that wage-earning jobs per unit of population are double what they were in 1931. This is obviously impossible. For one thing industrial expansion is practically conceded to have certain limits for many reasons among which may be numbered over production. (2) The second remedy is to limit the source of supply of wage-earners to keep pace with increase in the volume of employment by arresting or deflecting certain trends, particularly immigration, female labour, and the trek from own accounts. These three sources of supply are the main reasons why the number of wage-earners always keep ahead of the number of jobs. Further (with the exception of immigration) the increase in the number of wage-earners through these sources does not imply an increase in population, consumption or earnings. On the contrary it means a contraction, since female labour implies non marriage and consequently lowering birth rates while the trek from own accounts to wage-earners implies a movement from the country where brith rates are high to cities where they are low. Further, female and immigrant labour implies lower wages and lower earnings. All three imply a trend which is caused by and in turn causes an artificial and complicated state of society which can not be healthy and can not go on, for it is by nature suicidal.

It is here suggested that this remedy is worth examining. To find it and administer it will be a herculean task, but this task is not exactly an attempt to push back a tide; it is rather an attempt to divert a river into other channels. Every well directed step taken is likely to produce some result which will be to the good.

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Now the above description of the population side of employment and unemployment seems to define the problem. To solve this problem is a different matter. Since all the administrators and thinkers from the dawn of time to date have failed in the solution it is hardly to be expected that any one person at the present time can be called upon to do it as a part of a day's work. The usual first step taken in deciding how to handle a situation is to find out how other persons or countries or localities handle it and then adapt their method to our own particular species of that situation, but in this case we have no such recourse, for unemployment is found everywhere. We might examine places in Canada, say in 1931, that had little or no unemployment, and find out how they managed it; e.g. if any place could be found in Canada which had less than 4 p.c. unemployed on June 1, 1931 this place could be considered as having no unemployment, since the 4 p.c. could at any time be unemployed because of illness, accidents, strikes, etc. There was one such place among urban centres of over 5,000 population; viz. Forest Hill, Ontario, which with 1,633 wage-earners over 20 years of age had only 38 not at work on June 1. Among places of 1,000 to 5,000 population the following may be listed: Bridgetown, Nova Scotia, Digby, N.B., St. Andrew's, N.B., Arvida, Quebec, La Providence, Que., Lennoxville, Que., Montreal, W., Mont Royal, Mont Rouge, Que., Acton, Ont., Forest Hill, Ont., Stayner, Ont., Tuxedo, Man. These with an aggregate wage-earner population of 5,510 had only 142 or less than 3 p.c. unemployed on June 1, 1931.

It would be wasted time to make a thorough investigation of why they had no unemployment, because we know it without investigation -- it is: first that these small places never attracted wage-earners except for fairly permanent jobs or drew them from other occupations; secondly that the unemployed do not stay there -- they go somewhere else. This has been the great solution of unemployment in the past -- emigration. What applies to these small places can not be applied to the country as a whole. Emigration is no longer a safety valve.

Still an important principle is implied from the above illustration, a principle which has already been shown to be ~~[illegible]~~ inevitable and which has been suggested as the angle from which an attack on unemployment can be made and which might once more be stated:

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Limit the number of wage-earners to keep pace with the volume of employment by deflecting candidates for wage-earning jobs into other channels. We can not kill the unemployed or send them out of the country, but we may possibly make them something other than wage-earners.

It should be clear that the statement of the above principle does not imply any slackening in the efforts to create employment -- on the contrary it implies speeding up; but one of the objectives in the effort is to create more employment in non wage-earning occupations and in wage-earning occupations that do not increase production for immediate consumption, or expects immediate returns in cash. This principle is already being consciously applied in some cases and is not at all a new idea. The emphasis is laid here on the point that this principle is sound and should be worked out. The following pages will endeavour to point out in a general way methods by which it could be worked out and to show how much of unemployment could be eliminated thereby. The suggestions may or may not be practicable -- that is for persons with the necessary technical skill to find out. The main consideration here is that the principle and methods are sound if practicable.

Trends in Employment Containing Potential Unemployment and Needing Diversion

The trends in employment in which the seed of unemployment are imbedded and which forever defeat efforts to eliminate unemployment, since they create a potential unemployed person for every new job created have already been stated, but for clearness they might be ~~re-stated~~ reiterated. They are largely but not wholly, the result of large scale production.

1. The exodus from non-wage-earning or "own account" occupations to wage-earning occupations pari passu with industrial expansion. This, of course, includes the movement from the country and small urban centres to the city and from small scale industries to large.

2. The increasing proportions of females entering wage-earning occupations.

3. Immigration.

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To these may be added a fourth and a fifth.

4. The tendency to continue working to older and older ages.

5. The invasion of machinery.

These may now be examined one by one with a view to suggesting at least the type of remedy.

1. Old age labour.- To take first the fourth item on the list - old age employment. It is quite true that the trend is to postpone departure from the ranks of labour to older and older ages. This is a natural consequence of the first mentioned item on the list, viz the exodus from the own account class, but there are indications that these elderly employees have a stronger hold than that created by the mere necessity to work; i.e. efficiency. ~~To this may be added the fact that old age labour is confined to a small number of occupations.~~ The age factor in employment is very important. A study made of the earning powers of the Canadian people (herewith submitted) confirms findings in the United States on the same subject. If we take earnings as an indication of efficiency we find that the worker increases in efficiency up to the age of about 45, after which he slowly declines. At the age of 60 a man is as good as a man of 33; at the age of 61 as a man of 32 and so on. Now another point must also be borne in mind, viz that old age labour is largely confined to a few occupations. There is also another phenomenon which can be observed only by a close study; viz that different ages have different types of occupations. The ages at which practically the whole field of labour is exploited are those in the thirties. The natural candidate for a position vacated by a man of 60 is a man in his early thirties. The source of supply for such a vacancy is the already unemployed mature man, the immigrant and the man on own account, not the youngster just come of age.

It is quite true that the pensioning off of 60 year olds would in the year in which this was first done create vacancies equivalent to the number of young persons entering employment for the first time, but only in the first year. After the first year the vacancies thus created would be equivalent to only about a sixth of the number coming of age. It is only fair, however, to point out other dangers and the probability of disappointing results if such a scheme of pensioning were to be carried out.

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The only condition on which such a scheme could be perfectly successful in providing for the incomers from the younger ages for even one year would be that all the sixty year olds could be drawn up on parade and all the 16 year olds likewise, so that as the old slipped out the young could step into their places. The truth is, of course, that this condition or even one roughly analogous to it could never be fulfilled. The position vacated by the 60 year old would be filled by the best applicant who was on the spot, and the best applicant would be a man of about 33. He would also be the most probable applicant under present conditions, for he would be either an unemployed person, an immigrant or an own account ready to leave his shop or farm at the first opportunity. It would be very disappointing if a position vacated for the sake of a boy were to be filled by a bachelor farmer whose only reason for leaving his farm was that he was lonely. Any suggestion that the vacancies created by the pensioning off of the sixty year olds would bring about a grand shuffle; i.e., a stepping up from 59's to 60's; from 58's to 59's, and so on all along the line may be dismissed, since it has already been shown that this would not mean a promotion for the 59's, but a demotion and that 60 year old employment is confined to a few occupations. A grand shuffle could be brought about only by pensioning all persons over 45 years.

There is a further objection to the scheme in that it is contrary to the principle which has already been pointed out, viz that the cure for unemployment is not to kill the wage-earner. It is Sam Weller's cure for squinting. It involves repression, and consequently is more than likely to cause extreme discontent[redacted].

Further, there is an injustice in such a scheme in the want of recognition that a person earns his pay. The pension which the 60 year old received would be as much as or more than the 16 year old was worth, but certainly not as much as the 60 year old was worth, as is demonstrated by the fact that in a fresh field of labour he out competes the man of thirty.

Further, it is demonstrable that, owing to the present condition of late marriages, the man of 60 can be counted on to have on the average 1.3 dependents under 18 years of age, the average number of dependents ~~at the age when this number is~~ at its maximum being 3.0; i.e. by the time the man arrives at the age of 60 he has been relieved of only about half of his dependents.

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Now even if one of these dependents stepped into the position he vacated, is it to be expected that he would ~~resume~~ assume his father's responsibilities? Even if he did, is there any likelihood that the adjustment would be so perfect that the son would step into his father's position?

2. The immigrant.- The stoppage of immigration can be counted on to limit the number of wage-earners by about 100,000 a year (i.e. this would be the probable number of immigrant workers arriving in times of industrial expansion if there were no restrictions). This would be roughly equivalent to the number of young males yearly becoming candidates for employment for the first time. Consequently the stoppage of immigration is a sound principle to this extent. On the other hand it has the defects of the cure by killing remedies.

The direct effects of immigration upon unemployment are very drastic. In the first place the immigrant comes immediately after his arrival upon the labour market. He is the most efficient candidate for a vacancy because he is at that age where he can be a candidate in all fields of employment. Secondly, he is apt to take lower wages at first -- not after. At times of industrial expansion a great many positions of a temporary nature are created and he is the most likely candidate for such positions. When expansion stops these positions are most likely to be the first to be abolished; further, being only temporary in any case, the incumbent has to seek a new job when the ~~temporary~~ position is discontinued. The expansion of 1926-29 is reflected in the unemployment figures of the Census of 1931 in a most striking manner. The class of immigrants who suffered most from unemployment in 1931 ~~was~~ were the Europeans who arrived in 1926-29 -- much ~~worse~~ more than those who arrived later or earlier and than other classes of the population. Since these immigrants take jobs of all kinds it follows that they take the jobs which could otherwise be filled by boys coming of working age. They are, therefore, one of the two worst competitors of these boys, the other being females. It is logical to argue that if the objective is to create a situation favourable for the employment of these boys, by limiting the number of these competitors, then eliminate their direct competitors, not their non-competitors such as men at 60 years of age.

At the present moment immigration is at a standstill, but what is there to prevent a resumption on a large scale when industries expand? It can

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only be done by repression and this may lead to disagreeable consequences. The best policy would seem to be, not to stop immigration but to control it and to assign to it certain limits -- viz. to limit immigration of humans to keep pace with the immigration of capital. What this means should be explained. Suppose Great Britain (or the United States) were to undertake a construction scheme in Canada involving say 100 millions of British capital. Then it could easily be calculated how much labour this scheme would absorb and ~~be allow~~ allowed immigration from Britain of an equivalent number of persons whether they came in directly for the construction work or not. There would be no danger in this, providing such immigrants were personally desirable -- indeed such immigration would be welcome as increasing the population, thereby the number of consumers, etc., the Canadian's profit in the transaction being the usual stimulus to business and a host of own account jobs that would spring up in consequence of the undertaking. Is such a thing possible as for two countries to agree to such a policy; i.e. to allow immigration in return for, and in proportion to, undertakings with the capital of the emigrant's country?

It is useful to know, however, that the present stoppage of immigration would in times of expansion involve numbers equivalent to the number of boys coming of age. This as a fait accompli is a simple remedy. All that is required is to resist all demands for the resumption of immigration except as above provided for, when business activity is resumed on a large scale.

3. Female labour.- It must be admitted at once that there are certain wage-earning occupations which are essentially female and where, therefore, women do not enter into competition with men. These are easily listed and the numbers involved are not large. The great part of females in occupations are competing with males and it is quite evident that women of all ages are competing particularly with boys and young men. The former bank clerk and others who were working on low wages with the expectations of a future are now truck drivers, while females hold their jobs. In former times this bank clerk could marry this female, now he can not.

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The yearly number of marriages, about 70,000, is within 30,000 of the number of females yearly coming of working age|| and can easily be conceived as increasing to the extent of becoming equivalent; further it can be shown that the expectations of a female to be married before she dies are practically as good as ever, but here a complication sets in. Females first enter the occupation and feminize them and afterwards marry. The chances of another female to take their place, when they do marry, are now greater than those of a boy. The female successor is likely to come from the country where she was well taken care of or even from the ranks of married women. Had she married even a year or two earlier, the chances are that she would never have entered the occupation she has vacated. The solution of female competition is not only increased marriages, but earlier marriages. The prospect of early marriage as well as the fact prevent the competition. It is clear that we are here dealing with numbers that are by no means inadequate. Female competition is probably one of the most difficult evils to remedy, but at least the state could prevent difficulties being placed in the way of the right kind of marriage while there are none in the way of the wrong. As an example of this may be given one simple illustration which could have consequences more far-reaching than one might suppose. A man in Ottawa pays two income taxes each one for incomes over a certain sum different for single and married men. Now the man who can pay these income taxes is a desirable subject for marriage. In the year in which he marries he has exceptional expenditure, because he has a recognized position to keep up. We could cite cases in which a man married for nearly a whole year paid an income tax as a single man. The city tax is levied, not on the income of the year in which he married, but on the year preceding it. There is no gain in this practice - it is merely something for the convenience of the book-keeper. If a man has no taxable income there are no obstacles place in his way. Once a man sets out to be respectable and desirable he has to face not only the legitimate price of this but innumerable taxes consciously imposed upon this respectability. The state could without serious loss and with splendid logic encourage, instead of discouraging, such efforts after respectability and desirability. Some countries like France once (if not now) expended money in forwarding schemes of eugenics, i.e. paying so much in cash

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or in housing schemes to encourage births of the right kind - hardly a successful experiment. Why does it never occur to countries to encourage marriages of the right kind? An example of the right kind would be such as mentioned and another which would involve larger numbers - the case of A contributor to unemployment insurance who had paid his contributions over a certain period and had never applied for benefit. The money that is paid on relief on account of undesirable marriages would go far to defraying the expenses of any scheme of this kind.

The above was never intended to be put forward as a scheme which would solve the problem of female competition; it was merely an illustration of the present tendency to discourage instead of encouraging marriage. It is doubtful whether there is any means for removing female competition except such as will arise as a by-product of improved prosperity and of what will now be considered in connection with the trek from own accounts to wage-earners.

4. The movement from the own-account class to the ranks of wage-earners.- It is here submitted that this is the most serious obstacle in the way of solving the problem of unemployment. Its origin is, no doubt, large scale industries displacing small, but this is only a part of the story. Certain original causes of movement create or release other causes with the result that after a time these original causes become effects. We have the familiar example of a slight disturbance setting in motion the avalanche. The small shop-keeper, the tanner, blacksmith and so on, had to move when large scale industries swept away his occupation, but it would be a mistake to consider this as the only reason why persons leave the country for the city, although there is a tendency to refuse to accept any other reason as of appreciable magnitude. The growth of towns in Western Canada was not a matter of persons leaving the farm; it was a matter of different types of persons becoming residents of urban localities from those resident in rural. A great many of the innumerable small urban ~~cities~~ centres of the West had their origin in the gregariousness of certain races. Now what happened in these small places is happening to a still greater extent in the large. Gregariousness and imitation are greater factors than usually credited. Cases may be easily cited of a farmer

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having to sell a good farm because he was too old to work it and because his son simply would not stay on the farm. There are young men on relief today whose fathers need them at home on the farm. The girl refuses to marry a farmer with the result that the marriage rate among farmers is kept down and also that young men leave the farm to follow her. It can never be claimed that there is any one cause of the movement from the country to the city, there are hundreds of causes, some of which are insidious and unconsciously applied, others which are applied consciously with little realization of their results. The farming community which for the sake of supposed economy hires a female teacher is contributing very effectively to this movement, for to the feminization of rural teaching may be attributed a growing discontent with country life among the school boys. Rural economics and colleges of agriculture may be very good things, but insofar as they have encouraged expenditure largely on credit, which immediate returns in cash are necessary to meet, they have contributed to this movement. It is not all large city establishments that are responsible. The small creamery and cheese factory and in short everything that converts farming to a business instead of a mode of living serves to depopulate that farm and in turn to decrease the consumption of farm products. The dairy farmer of Ontario must convert every thing raised on the farm to ready cash with the result that he cannot afford to eat what he grows. The time was that the farm was a natural health resort, with its new laid eggs and fresh milk. In the last fifteen years it is fairly well known that in medical surveys of schools rural children are found to suffer more from malnutrition than urban.

What applies to the farm applies to other walks of life. If there is any single definition of the cause of the abnormal condition of the present time it is that every single qualification or ability that the individual possesses is turned into a business, i.e., must be sold immediately for payment in cash. The musician can no longer play for the entertainment of his friends; the little boy will no longer hold your horse for the sake of good will. Everybody goes on the labour market. The greatest of all changes in occupations in the last thirty or forty years is the increase in services and sellers. It is a question whether we are better served --

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at least ~~as~~ now willingly and pleasantly served -- than formerly, but if the trend continues services will increase to suicidal limits, the greater the proportion of servants, the smaller the proportion being served.

Now what effect has this upon labour psychology? When the limit has been reached the servants are still servants. The principle applies everywhere. It may be difficult to prevent persons from entering the wage-earning labour market, but it is impossible, without inflicting severe hardships and inciting bitter discontent, to turn them out of it once they are in. Determined efforts should be made in the direction of discouraging persons in independent work from becoming wage-earners. Every effort should be made to encourage a mode of living in which the worker is looking to the future, not the immediate present, by which he can have a stake in the country -- becomes an owner, no matter on what small scale.

Now the economist could generalize on the above in probably a few words. He would say that the growing tendency has been to depend more and more upon money, a scarce article. This leads to theories of inflation, credits, etc., in which we are hopelessly lost. In our younger days we saw the blacksmith shoeing horses, etc., and taking the price in kind. The farmer brought the tanner hides, lime and birch bark and brought back half that hide in leather, similarly with the grist mill and so on. The blacksmith could eat plenty of eggs and meat. Now these have disappeared and the farmer has to pay cash, in return for which he must sell his produce immediately and at any price. The innumerable channels through which every commodity must pass before it reaches the consumer render distribution more and more difficult. With difficulty in distribution decreases the capacity for consumption. Consequently, with all the improvements that have been effected by science to facilitate mechanical means of distribution, the capacity for consumption is less now than it was years ago, owing to the increasing complexity of business. It is impossible to believe that this can go on - something is going to give way, if the tide is not turned. All the schemes in the world for credit inflation, stimulation of foreign trade and so on, can not solve the problem; for all the schemes merely lead to greater complexities and to feeding the causes which

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have made them necessary. Once more it is submitted that the only permanent remedy is a deflection of the trend. The movement into wage-earning occupations of which buying and selling and immediate cash are necessary consequences must be stopped. It is impossible to believe that a case like the following is desirable or right and yet it epitomizes the situation. In a town in Nova Scotia a few miles from a harbour the fishermen caught their fish over night and sold them from house to house in the morning. The fish was good and fresh and the people were willing and anxious to buy. When it was sold to farmers the fishermen might take at least part of the price in kind. The merchants of the town brought pressure to bear and stopped these fishermen. Now the fish must go through several channels before it reaches the consumer either frozen or far from fresh and at an inflated price. The consumer can purchase less fish than before. Now what is the theory justifying this? That this repeated handling gives work to more persons. Suppose it does, (and it is exceedingly doubtful), what kind of work? Wage-earning. The system thus leads to creation of wage-earners, and this is what is going on and on - the tendency to bring more and more into the wage-earning class. After they once come in they become class conscious; before they come in they cannot be class conscious because they do not belong to that class. The wage-earner who has worked as a wage-earner six months in his life time becomes unemployed and a hot advocate for a class to get something for nothing or from nothing.....

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POSSIBLE CHANNELS BY WHICH THE TREND MAY BE DIVERTED: Now is it possible to stem or divert this tide? It follows from the discussion of the causes that the principle on which it may be diverted is somewhat as follows:

Any form of work that does not demand immediate returns in cash or increase production for immediate consumption is something to the good. Building for the future or storing what is produced and distributing it so that it will be available when really required are forms of work which tend to offset the processes which have rendered the situation impossible. The homestead idea at the beginning of the century, i.e. the placing of men where they could not expect returns until railroads were built was a sound one. Without going into the question of how well it was carried out the idea itself was good. It required a number of years' preparation for the future. While the west has suffered of late years there is one fact which is noteworthy. In the census of 1931 it was apparent that the immigrants who arrived in those years showed several indications of superior stability or permanency over the other immigrants. This must be due to their manner of settlement. A book could be written on this alone. It was not a matter of race or country of origin, for it happened to all alike. It seemed to be a matter of year of arrival. On the contrary, as already mentioned, the immigrants of 1926-29 showed marked inferiority in these qualities. It is reasonable to attribute the difference to the fact that the latter arrived during an industrial boom and depended upon the temporary jobs that were created by this boom.

How to apply successfully the principle underlined in the preceding paragraph there must be a further condition, that it be so applied as to meet urgent needs for the development of the country. Let us examine these needs that can be supplied by work that is not immediately productive.

The Maritime Provinces need more and cheaper power; and conservation and recreation of its resources, particularly its fishing resources. Quebec and Ontario need reforestation. The prairies need forestation and some method of water conservation. What British Columbia seem to need most is youth. Of this more later. The North needs prospecting and exploration.

The Maritime Provinces- We are familiar with the recent (and yet not very recent) attitude of the Maritime provinces and the events that have led up to this attitude. There is no doubt that their needs are real. They have

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been going down in population and prospects owing to circumstances over which they have had little or no control. The climate and access to the sea make Nova Scotia one of the most desirable places in which to live in Canada, but its own sons cannot live there. And yet there are mineral and other resources which could easily justify a population of a million in this province alone. Some scheme of conserving the fisheries and another scheme of increasing power would almost certainly lead to results. The harnessing of the tides of the Bay of Fundy is not an impracticable project. The power thus released would be enormous. The outlet for the particular abilities of the people in engineering and similar work would probably prove to be the happiest experience the country has had since Confederation. The "own account" industries that would spring up around a great work of this kind and the fact that it would take years to complete would be in a strict accordance with the principle of diverting the influx into the wage-earning class. Could British Capital or even American Capital be interested in such a scheme? Could this interest be furthered by an agreement, such as mentioned, regarding raising certain restrictions on immigration. Quebec and Ontario need, among other things, reforestation. This is peculiarly the type of industry recommended as expecting no immediate returns. Further, there is still good homesteading land in Ontario. What can the Federal Government in agreement with the provinces do with regard to these two schemes?

The PRAIRIE PROVINCES: They need forestation and conservation of water. What have engineers to say regarding schemes for this conservation of water? Most certainly both needs would be in line with the principle laid down in connection with industries not expecting immediate returns. Could capital be at all interested in such schemes?

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BRITISH COLUMBIA:- Whether it is generally recognised or not, British Columbia is the most critically situated with regard to the unemployment problem of any province in Canada. On June 1,1931 it had the largest per cent unemployed of both sex, of all provinces, ~~27.45~~ p.c. males as compared with 24.02 in the next largest (Manitoba) and 7.72 in Prince Edward Island.

If we take the average number of weeks lost during the year, British Columbia lost an average of 12.6 weeks while the next highest province lost only 10.2.

Not only was this so but it was predictible for a good many years. The writer could show memoranda written some years before 1931 in which he pointed out from several angles that British Columbia was at a danger point. The reasons for this will now be shown as briefly as possible.

British Columbia's population largely consists of immigrants and persons born in other provinces. It has the largest proportion non-indigenous and the most peculiar age distribution of any province. It's population has been largely one at wage-earning ages and that at the fittest ages, with a small proportion of dependents. The result was that while things were going well everybody was earning big money. School teachers and others were receiving higher salaries than in any other province. While its government was not socialistic in form it was so in practice, for school expenditure etc. were defrayed directly by the government. Optimism was extreme and tension was at a breaking point. A similar condition was described as prevailing in New Zealand around 1901. The prediction then, was that as soon as a slackening came New Zealand would suffer severely.

Now there is a point in connection with the psychology of a people that there are two kinds of optimism, one peculiar to the age of the person and leading to effort for the future; the other due to finding oneself in the middle of a plenty which he did nothing to create and which will be speedily exhausted if ever exploited. The latter has been the case of British Columbia. The situation was a rich labour field. Since everybody was working and since dependents were few, expenditure was most lavish. As soon as a belt-tightening period arrived these people, used as they were to high wages, were determined to hang tightly to this and orientals crept in, and took the low wages.

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They are now living in terror of orientals invading the field of labour. If there had been some of the whites who could without loss of standard take these lower wages the Orientals could have been kept out. As it was, everybody was ~~in~~ at an age that expects the maximum wages. The number of wage-earners per 100 persons gainfully occupied in British Columbia as compared with the other provinces may be show as follows:-

P.E.I. 38.4	Que. 68.1	Sask. 43.0
N.S. 65.0	Ont. 71.7	Alta. 49.7
N.B. 60.0	Man. 63.1	B.C. 76.7

It is seen that British Columbia had the largest proportion of wage-earners among her gainfully employed and it is impossible to avoid connecting this with the fact that she had the largest proportion of her wage-earners idle in 1931; also connecting the latter with easily produced figures showing that she was paying the highest wages and the former with equally easily produced figures showing that her population are at the fittest ages for wage-earning employment, besides being largely males. Further, it is congregated in urban centres where the essential condition of any form of labour is that it be productive of immediate returns in cash. One word more as to the age distribution. It is still the fittest for employment, but it has passed the point where optimism is the key note. In a mass the population will grow old, not gradually as in the case of countries populated by an indigenous population. Within the next 20 years the number of her 60 - 70 year olds will be enormous whereas it is now small. Her burdens from old age pensions will from now on increase at a ruinous pace. Meanwhile, owing to low birth rates, she will have no young population to shoulder these burdens. The province has the lowest natural increase of any province. In 1931 it was 9.7 per thousand as compared with 13.0 in Canada as a whole, and the tendency is to go much lower; for even if the birth rate did not decrease, the death rate is likely to increase owing to the rapid ageing of the population.

Clearly, then, the great need of British Columbia is more youth. The population under 20 years of age must be increased or serious consequence will follow. The present population is made up of persons who must work for immediate returns, not for the future. The wage-earner of 45, having no children to provide for, is working for himself and for immediate needs. The only person in these days who can afford to work for the future is the youngster.

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It follows, then, that a scheme of boy colonization in British Columbia would answer her greatest need. The growing of fruit trees takes some years, with prospects of profit at the end. The products of very useful labour would not come immediately upon the market. The province is probably one of the most desirable habitations for humanity in this world, with its fine climate and sufficiency of moisture. It may be rocky and in some places barren, but to raise an objection on this score would be absurd. There is enough soil to be the home of millions in spite of the rocks. Whenever was a country handicapped by her soil providing her climate and her people were the right kind? As an example we might take Scotland or (much nearer home) Massachussetts.

Then again Canada as a whole has a particular interest in a large population for British Columbia. There is a fact that must not be ignored, no matter how hard we try to close our eyes to it - defence. We know that the province is a desirable habitation for Orientals and that these Orientals are in need of more territory. Suppose Great Britain by some calamity were not able to defend us, would not a large thinly populated territory right at her doors be an irresistible temptation to Japan? Could and would the United States defend us? Probably and probably not, but if so, at what price? Owning or controlling the territory. Even if there were no danger of future invasions by armies, there is the ever present danger of a peaceful invasion by oriental labourers, now the only kind of white labour that can compete with oriental is boy labour. The orientals tend to work for the future; the only whites that can afford to do this, as aforesaid are youngsters. The growing of fruit trees and many other forms of labour, which are in the nature of apprentice labour could not compete with the mature workmen, but would certainly compete with oriental or female labour.

It must not be overlooked that what has been said with regard to the interests of Canada in the growth of population in British Columbia applies also, although perhaps not on the same scale, to the Maritimes. It is highly important to Canada that both her sea coasts have large populations. The country as a whole, then, is interested in and can be logically called upon

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to help in schemes to promote population growth in these regions.

THE NORTH:- Most obviously the great needs of the North are prospecting and exploration. This is ideal work in line with the principle laid down that the solution of unemployment is a diversion from employment demanding immediate returns.

DEFENCE:- This solution may not even be mentioned since the spirit of the country is against it. Nevertheless it is the soundest method of dealing with the derelict and the most efficient method of reforming him. It is the cheapest, the most logical and the most efficient form of work that can be undertaken by a state.

SCHOLARSHIPS FOR BRIGHT YOUTH:- This would be a splendid investment, under present systems of education - too highly standardized - the bright youth is handicapped. He is kept down to the pace of the slow. It is almost a truism to say that the best asset of a country is the brains of its people. This method would involve only a small number of cases from the point of view of dealing with present unemployment, but it would be one form of government investment which would ultimately lead to rich returns.

SUMMARY:- In the foregoing memorandum an attempt has been made to review the problem of unemployment from as concrete an angle as possible; i.e. to avoid all intangible descriptive material such as is involved in economic theories on the subject by dealing only with actual human cases and physical movements. It is not a matter of whether a stone a hundred feet from the ground will fall if released from its support, but whether the particular stone will fall. This seems to be the only avenue of approach to a problem if its solution is expected within a life time and to be of any use to the particular persons immediately interested.

1. The first step was to show by way of data why unemployment is ever with us, and why we can not hope that business revival and industrial expansion can solve it permanently. The conclusion was that the sources of human supply for the wage-earning class is the widow's cruise. Every new job creates an applicant. The candidate for the job is not only the unemployed person but also a person who was not a wage-earner before the job was created. The sources of supply are (1) the unemployed, (2) the youngster coming of working age, (3) the independent "own account" worker, (4) the immigrant, (5) the female, (6) a large element -

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some 700,000 in Canada, who are usually in no category, of occupation. Of all these the first two only might be regarded as legitimate candidates. They are the persons in whose interests schemes for curing unemployment are intended. If the field was left to these two there would be some hope that a reasonable turn-over from death and old age and a revival of business would accomplish the desired results; as it is, there is no such hope.

2. The next step was to show that the only permanent remedy for unemployment is to limit the number of wage-earners so far as possible to the two legitimate classes. A principle was laid down that this limitation should not involve actually or figuratively, those who have already taken possession of the field as this involves undesirable consequences. A further idea was introjected, viz, that it is not necessary to limit the total number of wage-earners but of a particular class of wage-earners, viz, those whose products demand immediate sale and returns in cash. The principle laid down on which a remedy for unemployment could be based was - the creation of occupations - wage-earning or otherwise, which, while productive, did not expect immediate returns.

3. The next step was to postulate that such forms of work must be undertaken in response to the needs of the country as a whole as well as its parts.

4. The next step was to examine where these needs were to be found and to show that in the effort to fill them work could be created which would tend to offset the tendency to flow into the immediate wage-demanding part of the labour market, this in addition to bringing about other desirable results. The needs listed were:-

(a) Fishery Conservation, and production of power in the Maritime Provinces with a view to making it profitable to exploit mineral resources. To the latter end the harnessing of the tides of the Bay of Fundy was suggested as feasible and as a magnificently promising project.

(b) The reforestation of Quebec and Ontario with some homesteading, especially in Ontario.

(c) Forestation and conservation of water in the Prairie Provinces.

(d) Boy colonization of British Columbia engaged in such work as growing of fruit trees etc.

(e) Prospecting and exploration in the North.

Other schemes were mentioned, particularly one, which although a logical

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SECRET

and invariably successful one, is contrary to the spirit of the country. C151341

Among the four needs mentioned probably the greatest is that mentioned in the case of British Columbia. This also directly attacks the problem of providing for our youth whose prospects for some years have been indeed bleak. Such a scheme, if successful, would not only touch the problem directly but would almost inevitably yield indirect results in solving another problem, viz female competition. The only solution for this problem is more, but especially earlier marriages. It would also help in solving another problem, viz oriental competition. It was postulated that the only logical competitor to females and orientals was - not the mature man at the fittest working age demanding immediate and the maximum wages for his labour, but - boy labour. It may be added that it is quite probable that there is a spice of adventure in the scheme that would appeal to boys around twenty.

Now it was not regarded as a part of this memorandum to set out in detail how these schemes could be operated. Their feasibility can easily be ascertained and the method of operation should readily suggest itself to those with the necessary technical skill, especially engineers and official of the Fishery, Agricultural and Interior Departments.

In all cases it is quite possible that the Federal and Provincial Government could enlist the interest of capital in such schemes. In any case in the boy colonization the interest of the parents could be enlisted. These parents have now to pay for the boys' keep in idleness and without prospects and the same expenditure would go for in helping them to useful work. The province could provide the land; the Federal Government ~~could~~, among other things, provide the fruit trees, the railroads could provide transportation and so on.

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Coll - unemployment policy
Relief Act [redacted]

Objections to Bill:

C151342

1. Negation of government by parliament -

(a) Ignores parliamentary practice and constitutional procedure with respect to money grants:

(1) Blank cheque -
purposes not designated,
amounts not limited.

(2) Blank authority re legislation -
peace, order and good government would have been applied while parliament in session;

should not give
and unlimited powers.

Striving for self-government in India and other parts of Empire;

parting with rights secured after a century of struggle.

(b) Bill not what it purports to be -

a bill re relief

in reality a bill to deal with financial crisis, etc.

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C151343

2. Taking advantage of existing depression & fears

To substitute a dictatorship for parliament -

Mussolini, Stalin-Hitler.

Effect of no parliamentary control -

Matters should come up for discussion in parliament.

3. Leading to wasteful expenditure of public monies and consequent increase in taxation.

Enormous waste from haphazard method of dealing with relief;

Public enquiry to realise price it is pay.

Paying for it in sugar,

" " " " taxes on income.

Impossible to balance budget.

Mistaken policy to have one Government appropriate monies - provide the taxation,

and another government expend the monies thus raised;

Body that raises the money should be charged with responsibility of spending it.

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Appropriations not properly made

e.g. expenditure for Mounted Police,
for railway ties,
for subsidies,
agricultural stabilisation, etc.

Expenditure under Sir John A Macdonald.

Expenditure has come to effect credit of nation -

Need to balance budget.

The authority that spends the revenues

should be the one to raise the taxes.

Municipalities, Provinces
incur what they please -

Dominion obliged to contribute
pro rata.

4. Need for a comprehensive, co-ordinated, constructive policy.

A nation wide progress.

Link policies of future need with
those of present depression.

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5. Work - not Doles - a policy that will provide work.

6. Unemployment of First Concern - not Last. Powers to deal with crisis already sufficient by acts of parliament elsewhere.

While opposing Bill prepared to give what needed - if powers enumerated.

Bill made use of as a precedent.

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Unemployment
Relief
notes memo
Re Unemployment

Coll - Unemployment policy
1932-33 [redacted]
C.C.F. Resolution
Fl. 27/33

C151346

Objections to C. C. F. Program:

(1) Cannot come into force for a long time - not years, but generations.

(2) If in force, would not further progress.

Strong objections to socialist State.

What is required are measures that can be immediately applied to meet situation of today.

The most important of present day situations is Unemployment -

Unemployment of first concern - Aim of all governments should be to see that there should be opportunity to work for all ready and willing to work.

Present unemployment is due to:

(1) World conditions, War, etc. - debts, reparations,
lack of confidence between nations,
want of co-operation " "

(2) Mistaken Domestic policies affecting trade -

chief of which is restriction to trade - high tariffs - inability to exchange goods.

(a) External

(b) Internal.

Two phases - (1) Temporary

(2) Permanent.

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C151347

What does C.C.F. offer?:-

A change in the social order. (same for both)

What does Conservative party offer?:-

Blank cheque and doles (for temporary); - see notes of meeting.

Tariffs (for permanent).

What does Liberal party offer?:-

Believes problem of unemployment most immediate national problem.

Recognizes that problem has become a national problem - constitutes a national emergency.

Should be dealt with as a national problem by some agency that would co-ordinate effort of all other agencies:-

Municipal,
Provincial,
Federal.

Cannot be done by a department of government -

Labour Department has failed lamentably.

What is required is a Representative National Non-Partisan Commission, with powers to employ experts, embracing representatives:

of Governments,
of Labor and Employers organizations,
of Red Cross,
of Salvation Army,
of National Council of Women.

Mobilize agencies for providing employment.

Advise government as to legislation to be introduced.

To co-ordinate effort as was done during war by:

National Patriotic Fund - in administration of relief;

Food Board;
Fuel Board.

Leave administration to parties whose duty it is.
(See amount spent)

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[redacted]

Permanent Policies. C151348

Unemployment an inevitable risk of industry -

not as inevitable as death,

nor " " " old age;

quite as " " invalidity, disease, sickness.

A fear incident to.

Should be insured against conditions beyond control of labour.

Should be State insurance;

should be a National system.

Better have a national system of unemployment insurance to provide against inevitable risks -

leaving municipalities and provinces free to deal with local conditions.

Who need policies to revive industry chaotic.

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Coll - Unemployment Policy

IH/7 P.C. 377

PRIVY COUNCIL SESSIONAL PAPER No. 84Z
Monday Mar. 6, 1933

C151349

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 2nd March, 1933.

The Committee of the Privy Council have had before them a report, dated 1st March, 1933, from the Minister of Finance, submitting that a loan of $1,944,130,16 was made to the Province of Manitoba under authority of Order in Council dated 7th December, 1932, (P.C. 2685) passed pursuant to the Relief Act 1932, for the purpose, in conjunction with a loan obtained simultaneously from the bankers of the Province, The Royal Bank of Canada, of assisting the Province to redeem Treasury Bills due in New York on the 15th December, 1932. The said loan was for a period of three months, maturing 14th March, 1933, and was made subject to the condition that the Province would, as soon as practicable, make a public issue or issues of securities in Canada, from the first proceeds of which the Dominion Government and the Royal Bank of Canada would be repaid in the respective proportions of their loans made for the purpose of assisting the province to meet the New York maturity referred to.

The Minister observes that the Treasurer of Manitoba has represented that owing to unfavourable conditions in the investment market, it has not been expedient to make the contemplated issue of securities to repay the loans due March 14th, 1933. The Provincial Treasurer has pointed out that on the 1st May 1933 an issue of $2,040,000, and on the 15th May 1933 an issue of $2,441,000,

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of securities of the Province of Manitoba, payable in New York funds, will fall due, and in view of these maturities it is desired that a renewal be arranged for a period of six months of the loan from the Dominion Government falling due on the 14th March, 1933.

The Minister, under these circumstances, recommends that under authority of the Relief Act, 1932, a loan of $1,944,130.16 be made to the Province of Manitoba, on the security of Treasury Bill of the Province issued under due authority, dated March 14th, 1933, bearing interest at the rate of 5½% per annum, and maturing 14th September, 1933, the proceeds of the said loan to be applied in payment of the loan of like amount due 14th March, 1933.

The Minister further recommends that the said loan be conditional upon the Royal Bank of Canada making similar arrangements for the renewal of their loan to the province, above referred to; and subject to this further condition that the province will make a public issue or issues of securities in Canada and will undertake from the first proceeds thereof, save only such proceeds as may be required for the redemption of the securities maturing 1st and 15th May 1933, to repay the Dominion Government and the Royal Bank of Canada, and that such proceeds as realized will be allocated in the proportion of 60% for the loan by the Dominion Government and 40% for the loan by the Royal Bank of Canada.

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[redacted]

The Minister further recommends that authority be granted to the Minister of Finance, at his discretion, at any time before redemption to assign all or any part of the said Treasury Bill.

The Committee concur in the foregoing recommendations and submit the same for approval.

(Signed) E. J. Lemaire,
Clerk of the Privy Council.

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PRIVY COUNCIL

CANADA.

CERTIFIED to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 4th March, 1933.

The Committee of the Privy Council have had before them a report, dated 2nd March, 1933, from the Minister of Finance, submitting that there became due and payable by the Province of Saskatchewan to the Government of the Dominion of Canada interest on treasury bills submitted as security for loans made under authority of Orders in Council P.C. 2336, of 19th September, 1931, P.C. 767 of 6th April, 1932, P.C. 789 of 12th April, 1932, P.C. 922 of 25th April, 1932 and P.C. 974 of the 28th April, 1932, passed pursuant to the Unemployment and Farm Relief Act, 1931 and Unemployment and Farm Relief Continuance Act, 1932, the interest on the said treasury bills being as follows:

Interest due date	Amount of Treasury Bills	Amount of Interest
Sept. 9, 1932	$2,000,000	$ 45,000.00
Oct. 6, 1932	5,900,000	148,635.61
Oct. 27, 1932	500,000	13,750.00
		$207,385.61

The Minister further submits that the Provincial Treasurer of the Province of Saskatchewan has reported that it is impossible, under existing conditions, to pay this interest currently, and he has proposed that treasury bills of the Province be accepted in respect of accrued interest.

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The Minister, therefore, recommends that under the authority of The Relief Act, 1932, the following loans be made to the Province of Saskatchewan:

$45,000.00 on the security of treasury bill of the Province dated 9th September 1932 issued under due authority bearing interest at the rate of 5½% per annum payable half-yearly and maturing the 9th September, 1933.

$148,635.61 on the security of treasury bills of the Province for $94,479.44 and $54,156.17, dated 6th October, 1932 issued under due authority bearing interest at the rate of 5½% per annum and maturing the 6th April, 1933.

$13,750.00 on the security of treasury bill of the Province dated 27th October, 1932 issued under due authority bearing interest at the rate of 5½% per annum and maturing 27th April, 1933.

The Minister further recommends that authority be granted to the Minister of Finance at his discretion at any time before redemption to assign all or any part of the said treasury bills.

The Committee concur in the foregoing recommendations and submit the same for approval.

(Signed) E. J. Lemiere

Clerk of the Privy Council.

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4th March 1933

The Committee of the Privy Council have had before them a report, dated 3rd March, 1933, from the Minister of Finance, stating that loans to the Province of British Columbia for the sums of $112.500, and $500,000 made under the authority of Orders in Council, P.C. 479 of 29th February, 1932, passed pursuant to the Unemployment and Farm Relief Act, 1931, and P.C. 849 of 14th April, 1932, passed pursuant to the Unemployment and Farm Relief Continuance Act, 1932, will mature on 8th March, 1933, and 15th April, 1933, respectively, and that a request has been made for a renewal of the said loans, the Province not being in a position to provide otherwise for these obligations.

It is, therefore, the proposal of the Minister of Finance of British Columbia that he secure the authority of the Lieutenant Governor in Council to raise by way of loans from the Government of the Dominion of Canada the amounts of $112,500 and $500,000, to provide for the payment of Treasury Bills of like amount as referred to above.

The Minister, therefore, recommends that under the authority of the Relief Act, 1932, the following loans be made to the Province of British Columbia:

$112,500

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$112,500 on the security of Treasury Bills of the Province issued under due authority dated March 8, 1933, bearing interest at the rate of 5½% per annum payable half-yearly, and maturing March 8, 1934.

$500,000 on the security of Treasury Bills of the Province issued under due authority dated April 15, 1933, bearing interest at the rate of 5½% per annum payable half-yearly, and maturing April 15, 1934.

The Minister further recommends that the Treasury Bills due March 8, 1933, and April 15, 1933, be returned to the Province when provision has been made for the principal thereof in the manner set out above, and when accrued interest thereon has been paid.

The Minister further recommends that authority be granted to the Minister of Finance, at his discretion, at any time before redemption to assign all or any part of the said Treasury Bills.

The Committee concur in the foregoing recommendations and submit the same for approval.

(SGD) E. J. Lemaire

Clerk of the Privy Council.

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Coll - Unemployment Policy

C151356

P.C. 519

COPY

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Sask. Relief Comm

The Committee of the Privy Council have had before them a report, dated 14th March, 1933, from the Minister of Labour, submitting:

(1) That Parliament has enacted legislation which may be cited as "The Relief Act, 1932";

(2) That the Saskatchewan Relief Commission was formed to administer relief in areas of the Province known as:

"A" area consisting of 84 municipalities and local improvement districts, which had experienced total crop failure for three consecutive years, the said municipalities and local improvement districts being numbered as follows: 5, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19, 35, 37, 38, 39, 40, 42, 43, 44, 45, 46, 47, 48, 49, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 126, 127, 128, 129, 130, 131, 133, 134, 135, 136, 137, 158, 159, 160, 162, 163, 164, 165, 166, 190, 191, 193, 194, 218, 221, 222, 223, 224, 250, 251, 282 and 343;

and

"B" area consisting of that part of the Province which has experienced crop failure to a lesser degree than in "A" area, but where, in the opinion of the Saskatchewan Relief Commission, it is necessary to distribute relief;

(3) That under the provisions of the Unemployment and Farm Relief Continuance Act, 1932, and The Relief Act, 1932, the Government of the Dominion of Canada has from time to time advanced to the Government of the Province of Saskatchewan for credit of the Saskatchewan Relief Commission, funds to be applied for relieving distress in the aforementioned areas;

(4) That for the period from August 3, 1931, to August 31, 1932, the Saskatchewan Relief Commission expended $1,33,272.88 out of funds advanced by the Dominion for freight on feed and fodder shipped at a reduced tariff rate of "A" area, where the feed and fodder was distributed to farmers, some of whom were able to pay for the feed and fodder but could not absorb the freight;

The Committee, therefore, on the recommendation of the Minister of Labour, advise:-

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(a) That expenditures made by the Saskatchewan Relief Commission for freight on feed and fodder shipped at a reduced tariff rate to "A" area defined herein, be borne to the extent of 100%, not exceeding $1,333,272.88. out of sums advanced by the Dominion Government;

(b) That the Saskatchewan Relief Commission, through the Provincial Government, shall furnish the Minister of Labour with statements of expenditures made by the Relief Commission, accompanied by a certificate of the appropriate Provincial authority that expenditures have been duly made in accordance with such statements, and that the statements shall be in the form prescribed by the Minister of Labour;

(c) That the Minister of Labour, at any time, may call upon the Province for such information as he may require in relation to statements of accounts rendered by the Province.

E. S. Lemaire
Clerk of the Privy Council.

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COPY

C151358

P. C. 520

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The Committee of the Privy Council have had before them a report, dated March 15, 1933, from the Minister of Labour, submitting:

1. That Parliament has enacted legislation which may be cited as "The Relief Act, 1932";

2. That the Saskatchewan Relief Commission was formed to administer relief in areas of the Province known as:

> "A" area consisting of 84 municipalities and local improvement districts, which had experienced total crop failure for three consecutive years, the said municipalities and local improvement districts being numbered as follows: 5, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19, 35, 37, 38, 39, 40, 42, 43, 44, 45, 46, 47, 48, 49, 66, 67, 68, 69, 70, 71, 72, 73, 74, 76, 75, 77, 78, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 126, 127, 128, 129, 130, 131, 133, 134, 135, 136, 137, 158, 159, 160, 162, 163, 164, 165, 166, 190, 191, 193, 194, 218, 221, 222, 223, 224, 250, 251, 282, and 543;
>
> and
>
> "B" area consisting of that part of the Province which has experienced crop failure to a lesser degree than in "A" area, but where, in the opinion of the Saskatchewan Relief Commission, it is necessary to distribute relief.

3. That under the provisions of the Unemployment and Farm Relief Continuance Act, 1932, and The Relief Act, 1932, the Government of the Dominion of Canada has from time to time advanced to the Government of the Province of Saskatchewan for credit of the Saskatchewan Relief Commission, funds to be applied for relieving distress in the aforementioned areas.

4. That for the period from August 3, 1931, to August 31, 1932, the Saskatchewan Relief Commission expended $26,497.45 out of the funds advanced by the Dominion

for

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for freight for the movement, at a reduced tariff rate, of haying outfits from, and return to, "A" area, defined herein, to reap hay crops in other prts of the Province.

The Committee, therefore, on the recommendation of the Minister of Labour, advise,-

(a) That expenditures made by the Saskatchewan Relief Commission, for freight for the movement, at a reduced tariff rate, of haying outfits from, and return to, "A" area, defined herein, to reap hay crops in other parts of the Province, be borne to the extent of 100%, not exceeding $26,497.45, out of sums advanced by the Dominion Government.

(b) That the Saskatchewan Relief Commission, through the Provincial Government, shall furnish the Minister of Labour with statements of expenditures made by the Relief Commission, accompanied by a certificate of the appropriate Provincial authority that expenditures have been duly made in accordance with such statements, and that the statements shall be in the form prescribed by the Minister of Labour.

(c) That the Minister of Labour, at any time, may call upon the Province for such information as he may require in relation to statements of accounts rendered by the Province.

E. J. Lemaire,
Clerk of the Privy Council.

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IH/9

P.C. 521

CERTIFIED TO BE A TRUE COPY OF A MINUTE OF A MEETING OF THE COMMITTEE OF THE PRIVY COUNCIL, APPROVED BY HIS EXCELLENCY THE GOVERNOR GENERAL ON THE 22nd, MARCH, 1933.

C151360

The Committee of the Privy Council have had before them a report, dated 15th March, 1933, from the Minister of Labour, submitting:

(1) That Parliament has enacted legislation which may be cited as "The Relief Act, 1932";

(2) That under Section 3 thereof, the Governor in Council may provide for the continuance, during such period as may be necessary and advisable, of the relief measures heretofore undertaken and now being carried on at the cost of Canada in the drought stricken areas of Saskatchewan by the Saskatchewan Relief Commission;

(3) That P.C. 2802, approved by His Excellency the Governor General on November 7, 1931, appropriated a sum not exceeding $100,000.00 for aid to medical Doctors and municipal hospitals outside of cities treating patients in the dried out areas of the Province of Saskatchewan, the allowances authorized being an amount not exceeding 50 cents per diem per patient to enable hospitals to carry on, and not exceeding $75.00 per month to Doctors;

(4) That representations have been made by the Government of Saskatchewan to the effect that many of the hospitals outside of the cities are not equipped to treat patients from the dried out areas, and it was necessary that patients receive treatment in the city hospitals, and that the allowance to Doctors should be based on residence of patient treated rather than Doctor, as has been interpreted under P.C. 2802;

(5) That at the time P.C. 2802 was approved, the drought areas had not been defined, and were subsequently determined as:

"A" area consisting of 84 municipalities and local improvement districts, which had experienced total crop failure for three consecutive years, the said municipalities and local improvement districts being numbered as follows, 5, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19, 35, 37, 38, 39, 40, 42, 43, 44, 45, 46, 47, 48, 49, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 126, 127, 128, 129, 130, 131, 133, 134, 135, 136, 137, 158, 159, 160, 162, 163, 164, 165, 166, 190, 191, 193, 194, 218, 221, 222, 223, 224, 250, 251, 282 and 343;

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and

> "B" area consisting of that part of the Province which has experienced crop failure to a lesser degree than in "A" area, but where, in the opinion of the Saskatchewan Relief Commission, it is necessary to distribute relief.

The Committee, therefore, on the recommendation of the Minister of Labour, advise that payment of 50 cents per patient per diem to city hospitals treating patients from "A" area, defined herein, and payment of 25 cents per patient per diem to city hospitals treating patients from "B" area, defined herein; and payment to Doctors treating patients residing in "A" area at the discretion of the Saskatchewan Relief Commission an allowance but not exceeding $75.00 per month to any one Doctor; and payment to Doctors treating patients residing in "B" area at the discretion of the Saskatchewan Relief Commission an allowance but not exceeding $40.00 per month to any one Doctor, be authorized out of the $100,000. appropriated by P.C. 2802 of November 7th, 1931.

(Sgd.) E. J. Lemaire

Clerk of the Privy Council.

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Coll - Unemployment & Farm Relief

Unemployment F. Relief

Expenditure Mar. 2[illegible]

[redacted]

SESSIONAL PAPER NO. 330.

C151362

No. 233 - Order of the House of Commons, moved by Mr. Veniot, M.P.

Order of the House for a return showing what amounts have been guaranteed by the present Government of Canada to (a) provinces, (b) railways, (c) harbour boards, (d) banks, (e) wheat pools, (f) Beauharnois Corporation, (g) other semi-public or private corporations up to the 13th of March, 1933.

RETURN:

(a) Provinces: By Order in Council of April 28, 1932, P.C. 972, effect was given to an undertaking by which, in the month of February of that year, the Dominion guaranteed the chartered banks doing business in Winnipeg from loss in respect of the assumption by these banks of all liabilities of the Province of Manitoba Savings Office. The banks received from the Province of Manitoba as security for the assumption of such liabilities, $12,442,400 one-year 5½ per cent treasury bills, maturing February 27, 1933, and on the maturity of these bills the banks were willing to accept a renewal, less the sum of $334,098 paid on principal account, provided the guarantee was continued. This the Governor in Council authorized under Minute of February 22, 1933, P. C. 318.

(b) Railways: Canadian National Railway Company 4½% 25-year bonds dated February 1, 1931.....$70,000,000;
(This issue was made to finance commitments under legislation of 1930, 1929 and previous years).
Canadian National Railway Company 4½% 20-year bonds dated September 1, 1931.....$50,000,000.

(c) Harbour Boards: Nil.

(d) Banks: Nil, except as shown under (a), (e) and (f).

(e) Wheat Pools:

1930 Crop - By Order in Council of 12th September, 1931, (P.C.2238), passed in pursuance of the Unemployment and Farm Relief Act, 1931, the repayment of advances and interest thereon made by the several chartered banks to the Canadian Co-operative Wheat Producers Limited, in connection with and incidental to the marketing of wheat and other grains grown in the provinces of Manitoba, Saskatchewan and Alberta in the year 1930, were guaranteed by the Government of Canada.

By Order in Council P.C. 1576 of 11th July, 1932, the operation of the guarantee authorized under P. C. 2238 of 12th September, 1931, in respect of the marketing of wheat and other grains grown in 1930, was extended to include, in addition to advances already made, such further advances as may be required to be made by the chartered banks of Canada to the Canadian Co-operative Wheat Producers Limited.

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(e) Wheat Pools: (cont'd)

1931 Crop - By Order in Council of 28th September, 1931, (P.C.2403), as modified by Order in Council of 30th November, 1931, (P.C. 2977), passed pursuant to the Unemployment and Farm Relief Act, 1931, the Government of Canada guaranteed, under certain conditions therein specified, to the several chartered banks, the repayment of advances and interest thereon made to the Manitoba Wheat Pool, the Saskatchewan Co-operative Wheat Producers Limited and the Alberta Wheat Pool, and subsidiaries of each, in connection with and incidental to the marketing of wheat and other grains grown in the provinces of Manitoba, Saskatchewan and Alberta in the year 1931.

The advances in this connection have been repaid and no liability accrued under the Dominion guarantee.

1932 Crop - By Order in Council, P. C. 2077 of 20th September, 1932, guarantee was given, under certain conditions, of the repayment of advances and interest thereon made by the chartered banks of Canada to Manitoba Wheat Pool, with its subsidiary, Manitoba Pool Elevators Limited; Saskatchewan Co-operative Wheat Producers Limited, with its subsidiary, Saskatchewan Pool Elevators Limited; and Alberta Wheat Pool, with its subsidiary, Alberta Pool Elevators Limited; in connection with and for the purpose of marketing wheat and other grains grown in 1932.

The amount of advances to wheat marketing agencies has varied from day to day with the course of business. The liability of the Dominion accrues after all, or practically all, of the wheat and other grains have been realized upon.

(f) Beauharnois Light, Heat and Power Company: Repayment of advances by banks to the amount of $15,539,000 and interest thereon has, under certain conditions, been guaranteed by the Government of Canada, under authority of P.C. 1577 dated 11th July, 1932 and P. C. 213 dated 6th February, 1933, passed pursuant to the Relief Act, 1932.

(g) Other semi-public or private corporations: Nil.

Ottawa, March 28th, 1933.

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Unemployment P.C.'s

Coll - Unemployment Policy

P. C. 577

C151364

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 30th March, 1933.

Transportation transients

The Committee of the Privy Council have had before them a report, dated 28th March, 1933, from the Minister of Labour, submitting:

1. That Parliament has enacted legislation which may be cited as "The Relief Act, 1932";

2. That the City of Winnipeg made representations in October 1932 requesting Federal assistance in the matter of relief to a number of destitute unemployed transients that were congregating in that city due to the cessation of activities in the harvest fields and the prohibition of further illegal use of freight trains for their transportation to other centres;

3. That, in view of the fact that in the majority of cases these men migrated from other provinces, the City of Winnipeg was advised that the Dominion Government would assume the cost of feeding transients taken from freight trains. That, in co-operation with the Federal representative and the Provincial Government, careful supervision was exerted to see that the strictest care is excercised to keep the cost to a minimum, that only bona fide cases were cared for, and that the utmost expedition be used in establishing as many of the men as possible in work camps;

4. That, in co-operation with the Canadian National Railways, Canadian Pacific Railway and the R.C.M.P., 241 of the aforementioned transients were selected for return to their homes in eastern Canada after proper credentials had been produced by each individual that he was a bona fide citizen, that he had a home to go to and would not of necessity be a charge to relief upon arrival. That special arrangements were made with the Canadian Passenger Association whereby this group was transported by the Railways at a rate of one cent per mile, bills to be rendered to the Dominion Government on that basis;

5. That the statements of account have been rendered as follows:

From City of Winnipeg -

4503 meals @ 6¢ per meal issued from October 28/32 to Nov. 14/32 - $ 270.18

From Canadian National Railways -

Transportation of 121 transients to homes in Eastern Canada at 1¢ per mile. $1,613.25

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[redacted]

From Canadian Pacific Railway -

Transportation of 120 transients to homes in Eastern Canada at 1¢ per mile	$1,360.35
	$3,243.78

That full details of the above mentioned accounts have been supplied to the Minister of Labour.

The Committee, therefore, on the recommendation of the Minister of Labour, advise that the Department of Finance be authorized to issue cheques in favour of the City of Winnipeg, Canadian National Railways and the Canadian Pacific Railway for amounts as mentioned above chargeable to the Consolidated Revenue Fund of Canada, pursuant to Clause 4 of the Relief Act, 1932.

(Sgd) E. J. Lemaire,

Clerk of the Privy Council.

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PRIVY COUNCIL
CANADA

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 30th, March, 1933.

The Commitee of the Privy Council have had before them a report, dated 28th March, 1933, from the Minister of Labour, submitting as follows:

1. That Parliament has enacted legislation intituled "The Relief Act, 1933";

2. That in May, 1932, the Government of the Province of British Columbia, represented to the Minister of Labour that there were large groups of unemployed, destitute men in the Province, to whom it was desirable to render relief, and recommended that the relief camps established and equipped by the Province under The Unemployment and Farm Relief Act, 1931, be continued so that, at the same time, the unemployed referred to, could receive subsistence and be employed on road or other useful work, and requested financial assistance from the Dominion Government to enable this porject to be carried out;

3. That on completion of negotiations the Government of the Province of British Columbia was advised that effective May 1, 1932, the Dominion Government would contribute fifty per cet of schedule of allowances as follows:

   1. Subsistence and necessary clothing, and an allowance of $7.50 per month per man for labourers.

   2. Wages of necessary cooks, not to exceed $50.00 per month and board - number of such cooks not to exceed 1 per camp of 100 ordinary workers.

   3. Wages of necessary foremen not to exceed $80.00 per month less board - number of such foremen not to exceed 1 per camp of 100 ordinary workers - and, if necessary, up to 3 subforemen at $17.50 per month, with board.

   4. Minimum necessary teams not exceeding 50 cents per hour for team and teamster.

   5. Such material as absolutely necessary in order that men can perform useful work.

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4. That pursuant to Clause 4 of The Relief Act, 1932, the Governor in Council has, from time to time, authorized, on receipt and acceptance of certified statements of expenditures, contributions by the Dominion Government in respect to the above schedule of allowances;

5. That there are still further certificates of expenditures to be rendered by the Province which will not be received by the Dominion before March 31, 1933, date on which the Relief Act, 1932, expires, due to distance between Ottawa and Victoria and delay on the part of merchants submitting vouchers to the Province;

6. That the operation of the relief camps referred to in paragraph 2 above ceased on November 1, 1932, the date on which the Dominion-Provincial agreement with respect to care of single homeless persons became effective;

The Committee, therefore, on the recommendation of the Minister of Labour, advise that, notwithstanding the expiration of The Relief Act, 1932, on March 31, 1933, the Dominion proportion of expenditures for operation of relief camps referred to in paragraphs 2 and 3 hereof be considered obligations or liabilities incurred or created under authority of the Act.

(Sgd.) E. J. Lemaire,
Clerk of the Privy Council.

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P.C. 526

C151368

PRIVY COUNCIL
CANADA

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 31st March, 1933.

The Committee of the Privy Council have had before them a joint report, dated 15th March, 1933, from the Minister of National Defence and the Minister of Labour, submitting that Orders in Council:

2348 dated 8th October, 1932,
2543 dated 19th November, 1932,
21 dated 14th January, 1933,
169 dated 30th January, 1933, and
117 dated 30th January, 1933,

authorized the execution during the Winter of 1932-33 of certain works by the Department of National Defence with a view to the employment thereon of single homeless men as a measure of relief; the said works being of the character contemplated by Secion 2 (a) of The Relief Act 1932, Chapter 36, .S.C. 32.

The Ministers state that the said Orders in Council prescribed the conditions under which the several works should be carried out and authorized that a number of persons, not exceeding three thousand five hundred and sixty four (3,564) in all, might be employed at a total estimated expenditure in the period up to 31st March, 1933 inclusive, of four hundred and ninety-six thousand dollars ($496,000); the same to cover all costs including the purchase of certain parcels of land required, the construction of accomodation for the men given relief, the supply of clothing, food, tools and equipment

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equipment, materials of construction, allowances to the men and supervisory staffs, medical attention and care. Further, the Department of National Defence was authorized to make available from their surplus stocks of clothing, equipment and tools, such items as were required and available.

The Ministers observe that the necessity is apparent to continue the aforesaid works as a measure for the relief of unemployment of single homeless men, and that it is a matter of national importance to increase the numbers of men given employment thereon.

The Committee, therefore, on the recommendation of the Minister of National Defence and the Minister of Labour, advise that the period during which the said works at present in course of execution and works of a similar character already projected and now under arrangement for the purpose of affording relief as aforesaid, be extended to 30th June, 1933, provided, however, that the number of men to be thus given employment shall not exceed seven thousand five hundred (7,500) persons including supervisory staffs, and that to meet the further costs thereby occasioned, authority be granted for the expenditure of a sum not exceeding seven hundred thousand dollars ($700,000); the same to be expended under the conditions laid down in and to be additional to the expenditure authorized by the aforesaid Orders in Council above herein referred to.

(Sgd.) E. J. Lemaire,
Clerk of the Privy Council.

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P. C. 579

C151370

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 31st March, 1933.

The Committee of the Privy Council have had before them a report, dated 27th March, 1933, from the Minister of Labour, submitting:

1. That Parliament has enacted legislation which may be cited as "The Relief Act, 1932";

2. That Section 4 thereof provides that the Governor in Council may pay out of the Consolidated Revenue Fund such moneys as may be necessary for all or any of the purposes of this Act;

3. That the Province of Ontario has submitted certificates of expenditure for Direct Relief distributed in the municipalities and by the Ontario Navy League shown on attached list, amounting to $667,271.15 to which the Province in contributing $231,256.02.

The Committee, therefore, on the recommendation of the Minister of Labour, advise that the Department of Finance be authorized to issue a cheque for $231,256.25 being the amount of the Dominion proportion of the expenditures referred to above, based on the percentages shown on the attached list, said cheque to be drawn in favour of the Province of Ontario and charged to the Consolidated Revenue Fund.

(Sgd) E. J. Lemaire,
Clerk of the Privy Council.

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P. C. 579

C1513?0

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 31st March, 1933.

The Committee of the Privy Council have had before them a report, dated 27th March, 1933, from the Minister of Labour, submitting:

1. That Parliament has enacted legislation which may be cited as "The Relief Act, 1932";

2. That Section 4 thereof provides that the Governor in Council may pay out of the Consolidated Revenue Fund such moneys as may be necessary for all or any of the purposes of this Act;

3. That the Province of Ontario has submitted certificates of expenditure for Direct Relief distributed in the municipalities and by the Ontario Navy League shown on attached list, amounting to $667,271.15 to which the Province in contributing $231,256.02.

The Committee, therefore, on the recommendation of the Minister of Labour, advise that the Department of Finance be authorized to issue a cheque for $231,256.25 being the amount of the Dominion proportion of the expenditures referred to above, based on the percentages shown on the attached list, said cheque to be drawn in favour of the Province of Ontario and charged to the Consolidated Revenue Fund.

(Sgd) E. J. Lemaire,
Clerk of the Privy Council.

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THE RELIEF ACT, 1932

PROVINCE OF ONTARIO

C151371

Req. No.	Folio No.		Total Expenditure $	Dominion Percentage %	Dominion Proportion $
		MUNICIPAL DIRECT RELIEF			
500	A-4	Village of Acton	454.94	33 1/3	151.65
449	A-14	Village of Ailsa Craig	33.65		11.22
500	A-15	Alice and Fraser Twps.	25.11		8.37
461	B-2	Town of Blenheim	670.20		223.40
461	B-4	Brantford City	38,554.32		12,851.44
449	B-5	Town of Brockville	6,766.60		2,255.53
449	B-21	Bertle Twp.	637.23		212.41
513	B-30	Blenheim Twp.	86.47		28.82
500	B-32	Town of Bala	247.13		82,38
449	B-35	Village of Bradford	420.60		140.20
449	B-38	Bayham Twp.	225.54		75.18
449	C-11	Village of Chesterville	436.37		145.46
461	C-12	Clinton Twp.	875.98		291.99
500	C-16	Cornwall Twp.	970.28		323.43
449	C-22	Camden East Twp.	136.38		45.46
461	C-24	Town of Cobourg	831.91		277.31
461	C-36	Village of Caledonia	312.82		104.27
513	3-38	Canboro Twp.	61.10		20.37
513	c-46	Colchester North Twp.	243.59		81.20
513	C-47	Village of Chatsworth	86.77		28.92
461	D-21	Township of Dorchester South	62.23		20.74
461	E-2	Elizabethtown Twp.	90.56		60.19
461	E-3	Eramosa Twp.	354.02		118.01
513	F-4	Fitzroy Twp.	358.27		119.42
449	F-5	Village of Fergus	553.02		184.34
500	F-18	Fenelon Twp.	11.50		3.83
513	G-3	City of Guelph	17,808.53		5,936.18
500	G-7	Town of Goderich	416.36		138.79
416	H-1	City of Hamilton	121,234.70		40,411.57
461	H-12	Humberstone Twp.	404.40		134.80
449	H-17	Houghton Twp.	17.20		5.73
500	h-20	Harris Twp.	38.00		12.67
449	I-1	Town of Ingersoll	1,504.02		501.34
461	I-3	Ignace Twp.	136.45		45.48
461	K-2	Town of Kingsville	274.39		91.46
500	K-4	Town of Kincardine	543.17		181.06
500	K-9	Kaladar, Angelsea and Effington Twps.	160.62		53.54
449	L-2	City of London	66,044.41		22,014.80
461	L-8	London Twp.	1,823.16		607.72
449	L-9	Town of Leamington	982.07		327.36
449	M-4	North Monaghan Twp.	1,087.58		362.53
449	M-9	Matilda Twp.	152.74		50.91
449	M-12	Montague Twp.	352.38		117.46
513	M-15	Moore Twp.	481.66		160.56
449	M-25	Township of Markham	850.29		283.43
500	M-29	Town of Mitchell	569.31		189.77
461	M-32	Maidstone Twp.	150.29		50.10
500	M-34	Village of Marmora	123.25		41.09
513	N-20	Village of Norwood	75.23		25.08
449	O-6	Orillia Twp.	972.26		324.00
513	O-8	Town of Oakville	2,474.14		824.71
500	O-14	Oxford East Twp.	56.22		18.74
500	O-17	Otonabee Twp.	163.75		54.59
461	P-5	Town of Port Hope	1,136.48		378.83
513	P-7	City of Port Arthur	7,652.40		2,550.80

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THE RELIEF ACT, 1932.

PROVINCE OF ONTARIO

C151372

Req. No.	Folio No.		Total Expenditure $	Dominion Percentage %	Dominion Proportion $
		MUNICIPAL DIRECT RELIEF			
449	P-10	Village of Port Credit	1,047.36	33 1/3	349.12
500	P-15	Village of Port Dalhousie	699.83		233.28
461	P-16	Plantagenet North Twp.	355.43		118.48
500	P-19	Town of Palmerston	275.50		91.83
449	P-27	Village of Portsmouth	56.58		18.86
461	P-30	Village of Port Perry	54.33		18.11
513	R-7	Russell Twp.	367.65		122.55
500	R-15	Village of Rockliffe Park	108.06		36.02
513	S-5	Shunish Twp.	233.79		77.93
500	S-10	City of Sarnia	8,675.42		2,891.81
449	S-27	Sarnia Twp.	184.15		61.38
461	S-32	Strong Twp.	30.66		10.22
461	S-41	Sidney Twp.	105.71		35.24
513	S-42	Sombra Twp.	59.70		19.90
500	S-43	Village of Stoney Creek	390.13		130.04
500	T-5	City of Toronto	278,107.75		92,702.58
500	T-11	Tay Twp.	1,385.02		461.67
500	T-17	Tiny Twp.	1,318.03		439.34
461	T-19	Village of Tweed	554.11		184.70
513	W-5	Wilmot Twp.	34.60		11.54
449	W-10	Township of Waterloo	1,250.85		416.95
449	W-22	Township of Whitby	145.33		48.44
449	P-11	Town of Penetanguishene	2,586.25	37½	969.85
513	W-29	Woodhouse Twp.	95.13	33 1/3	31.71
461	A-10	Anson and Hindon Twps.	239.40	40	95.76
461	C-6	Town of Cache Bay	2,909.51		1,163.80
517	C-15	Town of Cochrane	3,206.30		1,282.52
513	C-20	Chapleau Twp.	1,780.12		712.05
513	D-22	Dymond Twp.	103.20		41.28
419	E-12	Emo Twp.	514.16		205.66
461	F-3	Foley Twp.	654.16		261.67
500	F-9	Freeman Twp.	967.83		387.13
461	H-16	Harley Twp.	84.24		33.70
461	H-19	Humphrey Twp.	23.60		9.44
449	J-2	James Twp.	1,025.08		410.03
500	L-15	Limerick Twp.	178.96		71.59
603	M-3	Town of Mimico	8,561.80		3,424.72
513	M-10	Martland Twp.	69.50		27.80
449	M-11	Minden Twp.	185.40		74.16
449	N-7	Twp. of Neelen & Garson	2,341.02		936.41
603	O-2	City of Oshawa	29,116.88		11,646.75
461	R-3	Rama Twp.	1,011.40		404.56
513	S-25	Sherbourne Twp.	201.80		80.72
461	T-2	Town of Thessalon	1,180.34		472.14
500	T-18	Thessalon & Lefroy Twps.	137.19		54.88
572	B-3	Blind River Town	6,603.34	50	3,301.67
572	R-1	Town of Riverside	14,880.71		7,440.36
500	T-1	Town of Tecumseh	9,067.43		4,533.72
		TOTAL	664,356.79		230,284.80
464	N-9	Navy League of Canada	2,914.36	33 1/3	971.45
		TOTAL MUNICIPAL DIRECT RELIEF	667,271.15		231,256.25

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C151373

THE RELIEF ACT, 1932

PROVINCE OF ONTARIO

S U M M A R Y

DIRECT RELIEF

Municipal	667,271.15	231,258.25
GRAND TOTAL	667,271.15	231,256.25

D I S T R I B U T I O N

Payable by Dominion	231,256.25
Payable by Province	231,256.02
Payable by Municipality x	204,758.88
$	667,271.15

x Including $971.46 payable by the Navy League of Canada.

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IN/9 P.C. 571 [redacted]

PRIVY COUNCIL Certified to be a true copy of a Minute of a C151374

CANADA Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 31st March, 1933.

The Committee of the Privy Council have had before them a report, dated 27th March, 1933, from the Minister of Labour, submitting:-

1. That Parliament has enacted legislation which may be cited as "The Relief Act, 1932;"

2. That in May, 1932, the Government of the Province of Ontario represented to the Minister of Labour that there were large groups of unemployed, destitute men within the Province, to whom it was desirable to render relief and recommended that the relief camps, established and equipped by the Province under the Unemployment and Farm Relief Act, 1931, be continued so that, at the same time, the unemployed referred to, could receive subsistence and be employed on road and other useful work, and requested financial assistance from the Dominion Government to enable this project to be carried out.

3. That subsequently, the Minister of Lands and Forests, Province of Ontario, submitted to the Minister of Labour, a schedule of allowances to which the Dominion was requested to contribute as follows:

1. Cost of subsistence and an allowance of $5.50 per month per man placed in camps, fifty cents of which is to be deducted for the cost of such medical attention as may be necessary.

2. Salaries of certain Key Workers that may be necessary but not exceeding the following for each camp of 100 men:

1 Foreman at salary of $80.00 per month less board at sixty cents per day.

4 Straw Bosses at salary of $60.00 per month less board at sixty cents per day.

1 Timekeeper at salary of $70.00 per month less board at sixty cents per day.

Teamsters at rate of $1.00 per day, plus board for man and team.

Teamsters per camp not to exceed six.

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C151375

Mechanics used as powder men, drill and compressor operators and on other skilled work at rate of twenty-five cents per hour, less board at sixty cents per day.

Mechanics per camp not to exceed two.

Work day of eight hours to be adhered to.

4. That the Minister of Lands and Forests, Province of Ontario, on November 14, 1932, represented to the Minister of Labour, recommending that effective November 1, 1932, the allowance to men of $5.50 per month in schedule of allowances quoted above, be increased to $10.00 per month, including fifty cents for medical attention, in order to enable men to provide themselves with winter clothing and that arrangements had been made to reduce the board rate of sixty cents per diem as contained in schedule of allowances to fifty cents per diem.

5. That on November 25, 1932, the Minister of Lands and Forests, Province of Ontario, communicated with the Minister of Labour, advising that there were many families living along the roads being constructed, who needed relief and rather than provide them with direct relief, recommended payment of an allowance of $22.50 per month, effective from November 1, 1932, to settlers who might be engaged, to be borne equally by the Provincial and Dominion Governments.

The Minister of Labour deems it expedient to grant the request of the Province and therefore, recommends payment by the Dominion Government of 50% of:

(a) The schedule of allowances quoted in Paragraph 3 above.

(b) Allowance of $10.00 per month including fifty cents for medical aid to men residing in camps from November 1, 1932, instead of $5.50 which was effective to that date as set forth in Paragraph 4 above.

(c) Allowance of $22.50 per month to settlers living along the roads when engaged thereon effective from November 1, 1932 as set forth in Paragraph 5 above.

and that payment by the Dominion Government of fifty per cent of the allowances referred to in (a), (b) and (c) be charged to the Consolidated Revenue Fund pursuant to Clause 4 of The Relief Act, 1932.

The Committee concur in the foregoing recommendation and submit the same for approval.

(Sgd.) E. J. Lemaire,
Clerk of the Privy Council.

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IH/9 P.C. 584

C151376

PRIVY COUNCIL Certified to be a true copy of a Minute of a

CANADA Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 31st March, 1933.

The Committee of the Privy Council have had before them a report, dated 22nd March, 1933, from the Minister of Labour, submitting:-

1. That Parliament has enacted legislation intituled "The Relief Act, 1932;"

2. That Clause 9 of the said Act provides that the Act shall expire on the thirty-first day of March, 1933, and any obligations or liabilities incurred or created under the authority of this Act prior to the thirty-first day of March, 1933 may be paid and dischared out of the Consolidated Revenue Fund notwithstanding the expiration of this Act on the said date;

3. That there have been no formal agreements entered into with the Provinces in respect to direct relief, but payment of the Dominion proportion of such expenditures by the Provinces and Municipalities has been authorized by Order in Council on receipt of certificates of expenditures from the Provinces.

4. That certificates of expenditures by the Provinces and Municipalities for direct relief, are received by the Dominion from two to five months after the expenditures are actually made, and that certificates for expenditures incurred prior to March 31, 1933, will continue to be received by the Cominion for some months after that date.

The Committee, therefore, on the recommendation of the Minister of Labour, advise that the Dominion Commissioner of Unemployment Relief and the Auditor General be authorized to accept certificates of expenditures for direct relief received from the Provinces for expenditures incurred prior to March 31, 1933, notwithstanding the absence of formal agreements and notwithstanding the expiration of the Act on that date, and to consider such expenditures as

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as obligations or liabilities incurred or created under the authority of the Act.

(Sgd.) E. J. Lemaire,
Clerk of the Privy Council.

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Coll- Unemployment Police

P. C. 585

SESSIONAL PAPER No. 84 ii 1
Wednesday Apr. 5,1933.

C1513778

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 4th. of April, 1933.

re appropriation for Relief.

The Committee of the Privy Council have had before them a report, dated 17th March, 1933, from the Minister of Labour, submitting as follows:

1. That Parliament has enacted legislation which may be cited as "The Unemployment and Farm Relief Continuance Act, 1932" and "The Relief Act, 1932";

2. That under the provisions of the aforementioned legislation the following Orders in Council authorized contribution by the Dominion Government to expenditures for relief to settlers in the Province of Saskatchewan as set out below:

P.C. 990

Payment by the Dominion Government of 100 per cent of expenditures for feed and fodder distributed to settlers in "A" area;

P.C. 992

Payment by the Dominiom Government of 50 per cent of direct relief expenditures in "B" area;

P.C. 2440

Payment by the Dominion Government of 100 per cent of expenditures for grazing dues and winter feeding costs for stock moved from "A" area to other sections of the Province of Saskatchewan;

P.C. 1257

Payment by the Dominion Government of 50 per cent of expenditures for freight charges on donations of commodities in "A" area;

P.C. 1258

Payment by the Dominion Government of 50 per cent of the cost of moving settlers' effects from "A" and "B" areas, and 50 per cent of freight charges for moving stock from "A" and "B" areas;

3.

12 Pages.

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3. That the above Orders in Council provide that repayments made to the Government of Saskatchewan or the Saskatchewan Relief Commission by persons to whom relief has been extended, shall be accounted for and refunded to the Dominion Government pro rata of the percentage borne by the Dominion, which provision was deemed proper in view of the fact that the Saskatchewan Relief Commission acting for the province had taken promises to repay the value of relief received;

4. That P.C. 2660, dated December 3, 1932, sets forth that it was the desire of settlers who were given relief under the provisions of P.C. 991 to be permitted to recompense the province for relief received by allowing such settlers to work on provincial roads, and that in view of difficulty encountered in connection with the refunds to the Dominion Government as provided by P.C. 991, authority was given in P.C. 2660, in respect to the settlers receiving relief pursuant to P.C. 991, by which the work performed on provincial roads was not to be deemed a repayment accountable or refundable to the Dominion Government:;

5. That the Government of Saskatchewan has now made further representations to the effect that settlers who received relief under the terms of P.C. 990, 992, 2440, 1257, and 1258, be permitted to recompense the province for relief distributed by allowing said settlers to perform work on municipal and provincial roads, and requests that repayments made by settlers by carrying out such roadwork be not deemed a repayment accountable or refundable to the Dominion Government, so as to put the recipients of relief under the terms of said Orders in Council on the same basis as those receiving relief under P.C. 991.

The Minister of Labour deems it expedient to grant the request of the Province.

The Committee, therefore, on the recommendation of the Minister of Labour, advise that in the case of those who have received relief under the terms of the above Orders in Council and who are permitted by the Province to recompense the Province for such relief by performing work on municipal and provincial roads, such work is not to be deemed a repayment accountable or refundable to the Dominion Government, as provided in the aforementioned Orders in Council.

Clerk of the Privy Council.

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COPY

P. C. 669

[redacted]

SESSIONAL PAPER No. 84 K.K.

C151380

PRIVY COUNCIL

CANADA.

Thursday, Apr. 13, 1933.

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 10th April, 1933.

The Committee of the Privy Council have had before them a report, dated 6th April, 1933, from the Minister of Labour, submitting:

1. That Parliament has enacted legislation which may be cited as "The Relief Act, 1933";

2. That P.C. 1775 approved by His Excellency the Governor in Council, dated August 22, 1932, authorized payment by the Dominion Government of 50 per cent of the cost of transportation on Canadian Railways at a reduced rate of one and a half cents per mile for unemployed men going from urban centres to relief camps, effective to March 31, 1933;

3. That P.C. 2438 approved by His Excellency the Governor in Council, dated November 4, 1932, authorized payment by the Dominion Government of 50 per cent of the cost of transportation on Canadian Railways at a reduced rate of one and a half cents per mile, for unemployed persons placed on farms, effective to March 31, 1933;

4. That P.C. 358 approved by His Excellency the Governor in Council, dated February 28, 1933, authorized payment by the Dominion Government of 50 per cent of the cost of transportation of unemployed persons to camps or farms by motor coach, urban street-car and steamship lines, in the Provinces of Manitoba, Saskatchewan, Alberta and British Columbia, effective to March 31,1933;

5. That P.C. 596 approved by His Excellency the Governor in Council, dated April 4, 1933, authorized extension of the terms of the agreements with the Provinces of Manitoba, Saskatchewan, Alberta and British Columbia with respect to the care of single homeless persons to April 30, 1933.

The Minister of Labour, therefore, compatible with the extension of the terms of the agreements with the Provinces of Manitoba, Saskatchewan, Alberta and British Columbia, as referred to in paragraph five, recommends

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payment by the Dominion of 50 per cent of transportation costs as set forth in paragraph two, three and four, be extended to April 30, 1933, chargeable to the Consolidated Revenue Fund, pursuant to Clause 4 of The Relief Act, 1933.

The Committee concur in the foregoing recommendation and submit the same for approval.

(Signed) E. J. Lemaire

Clerk of the Privy Council.

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Cdl - Unemployment policy

C [redacted] 1

P. C. 730

SESSIONAL PAPER NO. 84

C151382

PRIVY COUNCIL Monday Apr 24 1933

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 20th April 1933.

The Committee of the Privy Council have had before them a report, dated 27th March, 1933, from the Minister of Labour, submitting that the undertaking of works in National Parks, Historic Sites and on the Golden-Revelstoke Highway has been recommended to provide for unemployment relief purposes. The estimated amount of money required to carry on operations on certain works is $250,000.

The Committee, therefore, on the recommendation of the Minister of Labour, advise:

1. That an expenditure of $250,000 be authorized out of the Consolidated Revenue Fund of Canada under the provisions of the Relief Act, 1933;

2. That the above sum of money be made available on requisition of the Deputy Minister of the Interior for expenditure on works in National Parks of Canada, Historic Sites and on the Golden-Revelstoke Highway, the same to be kept distinctly separate from the regular parks appropriation.

SGD. E. J. LEMAIRE

Clerk of the Privy Council.

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Coll - Unemployment Policy

IH/9 P.C. 891 [redacted] 26-

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Gover-Nor General on the 5th.,May 1933.

C151383

Privy Council

C A N A D A

The Committee of the Privy Council have had before them a report, dated 5th May, 1933, from the Minister of Labour, submitting:-

1. That Parliament has enacted legislation which may be cited as "The Relief Act, 1933";

2. That Clause 2 of the Act provides that the Governor in Council may, on such terms and conditions as may be agreed upon, enter into agreements with any of the Provinces respecting relief measures;

3. That the Government of the Province of British Columbia has signified a desire to enter into an agreement with the Dominion Government regarding relief measures in the Province.

The Committee, therefore, on the recommendation of the Minister of Labour, advise that he be authorized to enter into an agreement with the Province of British Columbia, in accordance with draft attached hereto.

(SGD) E.J.Lemaire

CLerk of the Privy Council.

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INDENTURE OF AGREEMENT entered into this first day of May, A.D. 1933.

C151384

BETWEEN:

The Government of the Dominion of Canada (hereinafter called the "Dominion"), represented herein by the Honourable Wesley A. Gordon, Minister of Labour.

OF THE FIRST PART;

and

The Government of the Province of British Columbia (hereinafter called the "Province"), represented herein

OF THE SECOND PART.

WHEREAS The Relief Act, 1933, empowers His Excellency the Governor General in Council to enter into Agreements with any of the Provinces, on such terms and conditions as may be agreed upon , respecting relief measures therein, and to authorize the payment out of the Consolidated Revenue Fund of such moneys as may be necessary for this among other purposes of the said Act;

AND WHEREAS the Province desires to enter into an Agreement with the Dominion for the purpose of obtaining financial and other assistance in the carrying out of measures for the relief of distress within the said Province upon the terms and conditions hereinafter set forth;

AND WHEREAS His Excellency the Governor General in Council, having approved of the terms and conditions of the said Agreement, has authorized the Minister of Labour to execute the same on behalf of the Dominion;

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SECRET

C151385

NOW THEREFORE it is mutually agreed by and between the parties hereto as follows:

1. In this Agreement, unless the context otherwise requires.-

"Direct relief" means food, fuel, clothing and shelter or the equivalent thereof when such equivalent is recommended by the Province and approved by the Dominion.

means man who, having no settled place of abode within the Province of British Columbia, are living within the said Province without employment or other visible means of maintaining themselves and are recognized by the Dominion as eligible to be given occupation on relief projects organized by the Dominion.

"Transient family" means any family consisting of a man and/or his wife and/or other dependents which, having no settled place of abode within the Province of Btitish Columbia, are living within the said Province without employment or other visible means of maintaining themselves, and are notde- deemed by the Province to be eligible for relief in any municipality within the said Province.

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2. The Dominion will assume responsibility for the care of all the homeless men, and will for that purpose organize and execute relief prohects consisting of works for the general advantage of Canada which otherwise would not have been undertakes at this time. The conditions under which these relief projects will be carried out are the following:

(1) Shelter, clothing and food will be provided in kind and an allowance not exceeding twenty cents per diem for each day worked will be issued in cash.

(2) Eight hours per day will be worked; Sundays and Statutory Holidays will be observed, and Saturday afternoons may used for recreation.

(3) Persons leaving voluntarily except for the purpose of accepting other employment offered or for the reason that they no longer require relief and those discharged for cause will thereafter be ineligible for reinstatement.

(4) Free transportation will be given from place of engagement and return thereto on discharge except for misconduct.

(5) No military discipline or training will be instituted; the status of the personnel will remain civilian in all respects.

3. The Dominion may accept for occupation on relief projects men in need of relief, other than homeless men, who are nominated by the Province, but the Province shall pay the Dominion the sum of twenty-five cents perm man per day (including Sundays and holidays) in respect of each such man so accepted.

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4. The Dominion shall forthwith arrange to take over such of the several projects for read construction which have been initiated by the Province (enumerated in Schedule A to this Agreement) as the Dominion may decide upon and may initiate such other works as may be decided upon.

5. The Province will provide all rights of way or other property whether now owned by the Province or private individuals which may be required for the proper execution of the projects for road construction hereinbefore mentioned.

6. The Province will make availlable for the use of the Dominion, without charge, during the period of this Agreement, in connection with the projects for road construction hereinbefore mentioned, all relief camps which have been established by the Province, together with all camp equipment, tools, stores and supplies thereat, or held in reserve therefor.

7. The Province will make available for the use of the Dominion, without charge, during the period of this Agreement, such machinery as is necessary and available for the proper execution of the said projects, and the operators for such machinery.

8. The Province will make available to the Dominion, without charge, in connection with the projects for road construction aforementioned, the assistance of such members of the permanent engineering staff of the P4ovince as can be made available from time eto time for that purpose as required.

9. The Dominion will take over the supervisory staffs now employed at the relief camps established by the Province at such times and under and subject to such terms and conditions as may be determined by the Dominion.

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10. The Province will transfor to the Dominion free of cost such areas of Provincial Crown lands, to gether with the timber thereon and water rights appertaining thereto so far as the same are now vested in the Province, as may be required for the purposes of any of the relief projects carried out by the Dominion within the Province.

11. In the event of forest fires occuring in the vicinity of any of the projects carried out by the Dominion under this Agreement, the Dominion will require the official in charge of any such project to co-operate fully with the local provincial authorities in the carrying out of measures for the suppression of such fires; and for this purpose, the Dominion will authorize the withdrawal of men and equipment from other duties as may be necessary.

12. The Province will transfer the Niskonlinth Forest Reserve, including water rights appertaining thereto so far as the same area now vested in the Province, to the Dominion to be organized as a Dominion forestry experimental station and training area; and the operations on this area shall be proceeded with as re a relief project.

13. The Dominion will contrubute to the Province the sum of twenty-five cents per homeless man per day for a period not exceeding two months for each man, who may be selected by the Province as a suitable person for a course of instruction in the processes of placer mining at camps which the Province will establish for that purpose, together with one-half the cost of the transportation of each such man from relief camps, or other points, within the Province to the camps to be established by the Province as aforementioned; but the Dominion's share of the cost of transportation of each such man shall not exceed three-quarters of a cent per mile.

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32-

14. The Dominion will pay to the Provinde the following percentages of the necessary expenditures incurred by any municipality for direct relief, for remittance to the municipality: C151389

From April 1st to May 31st, 1933-33 1/3%.

From June 1st to June 30th, 1933-20%.

From July 1st to July 31st, 1933-10%.

Provided, however, that the Dominion may, by reason of the financial condition of any municipality, assume a greater percentage of the expenditure incurred by any municipality for direct relief, during any of the periods aforementioned, if such action is recommended by the Province and approved by the Dominion; but in no case shall the Dominion contribute in respect of such expenditures for direct relief, an amount in excess of that contributed by the Province.

15. The Dominion will pay to the Province fifty per centum of the necessary expenditures made by the Province, during the period, April 1st to July 31st, 1933, for direct relief in any unorganized district within the Province.

16. The Dominion will pay oto the Province fifty per centum of the cost of the necessary expenditures made by the Province during the period, April 1st to July 31st, 1933, for direct relief to transient families.

17. Statements of accounts for expenditures made by the Province and Municipalities, for direct relief pursuant to the provisions of this agreement shall be summitted by the Province to the Dominion Commissioner of Unemployment Relief, accompanied by a certificate of the appropriate Provincial authority that expenditures have been duly made in accordance with such statements;and such statements and certificates shall be in the form prescribed bu the Dominion Commisaioner of Unemployment Relief.

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18. The Province and Municipalities shall each bear their own e expenses of administration is connection with any measures for direct relief undertaken pursuant to this agreement, and no portion of such expenses of administration shall be included in any statement of account rendered by the Province pursuant to this agreement to be paid by the Dominion.

19. The Dominion Commissioner of Unemployment Relief may at any time require the Province to furnish information in relation to statements of accounts rendered by the Province or Municipalities.

20. The Dominion Commissioner of Unemployment Relief may at any time direct an inspection in connection with any measures carried out pursuent ot this agreement.

21. This agreement shall be subject to termination on thirty day's notice in writing from the Minister of Labour, and, unless sooner terminated , and except insofar as any of its provisions may sooner expire in virtue of their own terms, shall expire on the thirty-first day of March, 1934.

IN WITNESS WHEREOF the Honourable Wesley A. Gordon, Minister of Labour, has hereunto set his hand on behalf of the Dominion of Canada, and the Honourable

of , has hereunto set his hand on behalf

of the Province.

Signed on behalf of the GOVERNMENT OF CANADA BY HONOURABLE Wesley A.Gordon, Minister of Labour, IN THE PRESENCE OF,) .....

SIGNED on behalf of the Province of by the Honourable IN THE PRESENCE OF,) .....

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SCHEDULE A.

C151391

PROJECTS FOR ROAD CONSTRUCTION.

Trans-Canada Highway - including the Western Leg of Big Bend Highway.
(New construction and improvement)

Southern Trans-Provincial Highway - including Hope-princeton Road.
(New construction and improvement)

North ern Trans-Provincial Highway
(New construction and improvement)

North Thompson Highway - from Kanloops to Tete Jaune Cache
(New construction and improvement)

International Highway from Peace Arch to proposed New Ladner Bridge.
(New construction and improvement)

Vancouver Island Highway - including Highway to Alberni.
(Improvements)

Bear River Road in Atlin
(Extension and improvements)

Cariboo Highway from Ashcroft to Barkerville and Prince George.
(Improvements)

Columbia Valley from Golden to Cranbrook
(Improvements)

Kimberley-Vasa Cut-Off
(Extension and improvements)

International Highway - Aldergrove to Boundary
(Improvements)

West Cost Road -
(Extension of a trail from Jordan River to Port Renfrew)

Kemloops-Vernon-Kelowna U.S. Boundary
(Improvements)

Sicamous-Vernon Road
(Improvements)

Nakusp-Nelson Road
(Improvements)

Lilcoet-Lytton
(Improvements)

Shehelt-Pender Harbour
(Improvements and Extension)

Squamish -Brittanis
(Extension and Improvements)

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C151392

Vernon-Edgewood
(Improvements and diversions)

Spencer Bridge-Merritt
(Improvements)

Merritt-Kamloops
(Improvements)

Dewdney Road
(Extension and improvements)

Ucuelet - Tofino Road

Babine Lake Road

Eastport - Yahk

Lytton Extra Story

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Cold Unemployment Policy.
[redacted]

COPY.

IH/7 P.C. 980 C151393

SESSIONAL PAPER NO. 84. TT

Wednesday May 24 1933.

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 22nd, May, 1933.

The Committee of the Privy Council have had before them a report, dated 18th May, 1933, from the Minister of Finance, submitting that the Government of the Province of Saskatchewan has been unable to raise money to pay the Province's proportion of the cost of direct relief and to assist by way of loans certain municipalities of the Province to pay their share, and as a result, that the Saskatchewan Relief Commission has not been able to pay its accounts. The Dominion Government has therefore been requested to make provision by way of loan to the Province, so that the costs of relief may be defrayed.

The Committee, therefore, on the recommendation of the Minister of Finance, advise that under authority of the Relief Act, 1933, the sum of $700,000 be paid from the Consolidated Revenue Fund to the Government of the Province of Saskatchewan upon the Province depositing with the Minister of Finance, as security for the said loan, its one-year Treasury Bills for the amount of $700,000, bearing interest at the rate of Five (5) per cent per annum, payable half-yearly, the proceeds of the said loan to be devoted by the Province towards defraying expenditures on direct relief administered by the Saskatchewan Relief Commission.

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C C151394

The Committee further advise that it be a condition of the said loan that there should be applied, in reduction thereof, amounts which from time to time may be payable to the Province by the Dominion in respect of the share of the cost of direct relief assumed by the Dominion under agreement with the Province.

The Committee further advise that the Minister of Finance be authorized, at his discretion, at any time before redemption to assign all or any part of the said Treasury Bills.

(signed) E. J. Lemaire
Clerk of the Privy Council.

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Guarantee

Coll - Un[redacted]

Guarantee re Algoma Steel Corp

Relief Act, 1933

C151395

P.C. 1285, June 28, 1933, under Clause 2 (a) of Act.

Order for 30,000 tons steel rails placed with Receivers and Managers of Algoma Steel Corporation Limited

Corporation indebted to Bank of Montreal "which holds as security for payment the raw materials in the hands of the Corporation available for the production of the said rails".

Upon acceptance of order placed to specifications of C.N.Rys. the Bank of Montreal to be guaranteed payment by the Corporation up to principal sum of $660,000.00 of amounts advanced for following purposes:

(a) Wages entering into cost of 30,000 tons of rails made by the Corporation;

(b) Actual cost of supplies which may have to be bought by the Corporation for the production of the steel rails.

Interest at rate of 5% to be paid on guaranteed advances half yearly, chargeable to Consolidated Fund.

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Coll - Unemployment [redacted]

Unemployment and Farm Relief
Orders in Council
re.

C151396

See also:

"Railways - Government Guarantee of Loans by Banks to C.P.R., Nov. 29, 1933".

" Insurance - General".

"Wheat".

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Mr. Bennett
Speech on the Addr[redacted]
re: Public Works Programme

C151397

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Coll - Unemployment policy [redacted]

K. Prof
no

C151398

Unemployment Relief

Programme of Public Works

(Mr. Bennett, H. of C., January 30, 1934, p. 95
Unrevised Hansard)

When the right hon. gentleman says that the government must submit in broad and general outline, and perhaps in detail, what it proposes to do, I can assure him that that is exactly what is intended to be done, because it is not our purpose to undertake to spend x sums of money without regard to where it may be spent - not at all. But it is believed that, within limits, essential undertakings can be accomplished by the Dominion for the purpose of doing something towards finding employment for that class of the population that is not absorbable in industrial activity.

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Copy S.P. 15 [redacted]

Relief

Feb 15/34.

ANSWER TO QUESTION C151399

NO. 2 - MR. EULER

Question: What guarantees or loans or grants have been made in the years 1931, 1932, 1933, and 1934, to persons, or private concerns or corporations?

Answer: The following guarantees have been given under the Relief Acts:

Algoma Steel Corporation, re-manufacture of steel rails for Canadian National Railways, maximum amount of bank advances guaranteed.....	$ 660,000.00
Beauharnois Light, Heat and Power Company, towards completion of construction, amount of bank advances guaranteed.....	15,538,500.00
Canadian Pacific Railway Company, to meet capital obligations and indebtedness payable, amount of bank advances guaranteed.....	60,000,000.00
Dominion Steel and Coal Corporation, re manufacture of steel rails for Canadian National Railways, maximum amount of bank advances guaranteed.....	1,100,000.00

The Government guaranteed repayment of bank advances to the Canadian Co-operative Wheat Producers Limited in respect of the marketing of the 1930 crop and market stabilizing operations of that Company; also advances to the Manitoba Wheat Pool, the Saskatchewan Co-operative Wheat Producers Limited, and the Alberta Wheat Pool, and subsidiary elevator companies of these organizations, in connection with the marketing of the 1931 and 1932 crops. The amount of the advances to wheat marketing agencies has varied from day to day with the course of business. The liability of the

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Dominion accrues after all, or practically all, of the wheat and other grains have been realized upon.

The following loans or grants have been made under the Relief Acts:

Loans

Canadian Pacific Railway Company, re employment in shops, repayable by the Company under certain conditions.....	$ 2,447,221.71

Grants

Canadian National Railways, interest on outlays for certain advanced unemployment relief works.....	882,412.36
Canadian Pacific Railway - interest on outlays for advanced unemployment relief works...	863,550.00
Canadian National Railways, purchase of ties..	1,099,359.39
Canadian National Railways, construction of subway at St. Lambert.....	71,506.43
Canadian National Railways, banking Nova Scotia coal.....	41,718.22
Canadian Pacific Railway Company, labour costs in rail laying program.....	209,196.98
Dominion Steel and Coal Corporation, re interest on cost of steel rails for Canadian National Railways.....	13,439.26

Ottawa, February 15, 1934.

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Coll - Unemployment policy

SESSIONAL PAPER NO 150A

[redacted]

Canada,

Re unemployment - Orders in council, rl

DEPARTMENT OF THE SECRETARY OF STATE C151401

Thursday Mar 15 1934.

RETURN TO AN ADDRESS OF THE HOUSE OF COMMONS, dated 12th. March 1934 showing;

A copy of Order in Council P.C. 1285 dated June 28, 1933, and Order in Council P.C. 1526, dated July 27, 1933, guaranteeing certain advances to the Algoma Stee Corporation re manufacture of steel rails for Canadian Natioanl Railways.

C.H. Cahan

Secretary of State

Reference No.109.

Mover: Mr. Howard

Dated March 14, 1934.

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P.C. 1285

[redacted]

C151402

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by the De uty of His Excellency the Governor General on the 28th June 1933.

The Committee of the Privy Council have had before them a Joint Report, dated 26th June, 1933, from the Acting Minister of Finance, and the Minister of Labour, submitting as follows:

1.- That Parliament has enacted legislation which may be cited as The Relief Act, 1933;

2.- That clause 2 (a) of the said Act provides that the Governor in Council may inter alia guarantee the payment of money by any public body, corporation or undertaking;

3.- That representatives of the City of Sault Ste Marie, Ontario, have submitted to the Dominion Government a proposal regarding the placing of an order with the Receivers and Managers of the Algoma Steel Corporation, Limited, (hereinafter referred to as the Corporation), for 30,000 tons of steel rails for the purpose of provinding employment for those at present unemployed and thus in need of employment by way of relief;

4.- That the terms of the proposal are as follows:

(1) The order for 30,000 tons of rails to be according to specifications of Canadian National Railways at the standard price for such rails, viz: $44.00 per ton exclusive of such extras as may be specified by the Railwasy Company

(2) The Dominion Government to provide the necessary funds to cover the following items entering into the cost of the rails:

(a) Wages paid in the Steel Plant:

(b) Actual cost of supplies which may have to be bought for the production of the steel;

(3) The Corporation to furnish all necessary raw materials and supplies except such as may have to be bought;

(4) The Corporation has in stock a quantity of heavy raw materials such as iron ore and limestone which will be required;

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(5) That after negotiation a modification of this proposal has been formulated by which the participation of the Dominion Government would be limited to guaranteeing repayment to the banker of the Corporation of an amount not exceeding the cost of the items set forth in Paragraph 4. Sub Paragraph 2 (a0 and (b), together with interest at the rate of Give (5) per cent per annum payable half yearly until such time as the Canadian National Railways are in a position to take delivery of and pay for the said rails:

(6) That it appeared in the course of such negotiations

(a) that the Corporation stands indebted to the Bank of Montreal which holds as security for payment the raw material presently in the hands of the Corporation available for the production of the said rails;

(b) that the Corporation would require from the said bank advances to meet;

(i) wages entering the cost of $30,000 tons of rails made by the Corporation;

(ii) actual cost of supplies which may have to be bought by the Corporation for the production of the steel rails referred to;

(c) That the Corporation and the said bank will give to thedDominion Government such assurances as may be requisite to provide that Fifty (50) per cent of the rails manufactured under the terms of this proposal shall be earmaked and held as security against advances made under the Dominion's guarantee to the Bank and upon payment being made for the said rails by the Railway Company, in whole or in part, the money paid therefor to the Bank by the Railway Company shall effectually release the Dominion Government from the guarantee to the extent of such payment.

The Ministers, having in mind the desirability of creating employment, recommend that upon the acceptance by the Corporation of an order of the Canadian National Railways for 30,000 tons of steel rails to specifications of the Canadian National Railways at the standard price for such rails, namely $44.00 per ton exclusive of such extras as may be specified by the Railway Company, the Bank of Montreal be guaranteed payment by the Corporation up to a total principal sum of $660,000 of the amounts by them advanced for the following purposes or any of them relative to the production of the said rails, namely:

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(a) wages entering the cost of 30,000 tons of rails made by the Corporation:

(b) actual cost of supplies which may have to be bought by the Corporation for the production of the steel rails referred to;

but in any event the amount of the said guarantee shall not be in excess of the cost of raw materials and supplies furnished toward the production of the said rails by the Corporation.

The Ministers further recommend payment by the Government of Canada of interest upon such guaran teedadvances at the rate of Five (5) per cent per annum payable half-yearly, chargeable to the Consolidated Revenue Fund.

The Committee concur in the foregoing recommendations and submit the same for approval.

E.J. Lemaire,
Clerk of the Privy Countil

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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C151405

P.C. 1526.

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 27th July 1933

The Committee of the Privy Council have had before them a joint report from the Acting Minister of Finance and the Minister of Labour, stating that Order in Council of 28th of June 1933, P.C. 1285, authorized the guaranteeing of payment up to a total of $660,000 by the Receivers and Managers of the Algoma Steel Corporation Limited to the Bank of Montreal of amounts advanced by the said Bank to the said Corporation in connection with the production by the Corporation of 30,000 tons of steel rails, on the terms and conditions contained in the said Order.

The said Order provides, in effect, that the guarantee shall apply to payment of amounts advanced by the Bank for the following purposes or any of them relative to the production of the said rails, namely;

2 (a) wages entering the cost of 30,000 tons of rails made by the Corporation;

"(b) actual cost of supplies which may have to be bought by the Corporation for the production of the steel rails referred to;

"but in any event the amount of the said guarantee shall not be in excess of the cost of raw materials and supplies furnished towards the production of the said rails by the Corporation."

The Ministers recommend that the form in which the purposes covered by said Order in Council of 28th of June 1933, P.C. 1285, are set out be amended to read as follows:-

"a) wages entering the cost of 30,000 tons of rails made by the Corporation;

(b) actual cost of supplies which may have to be bought by the Corporation for the production of steel rails referred to; but in any event the amount of the said guarantee shall not be in excess of the cost of raw materials and supplies furnished toward the production of the said rails by the Corporation"

The Committee conur in the foregoing recommendations and submit the same for approval.

E.J. Lemaire Clerk of the Privy Council

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SESSIONAL PAPER NO. 150 B

C151406

Canada.

Department of the Secretary of State

Thursday Mar 15 1934.

RETURN TO AN ADDRESS OF THE HOUSE OF COMMONS DATED 14TH MARCH 1934, showing;

A copy of Order in Council P.C. 1076, dated July 2 1933, guaranteeing advances to the bank to the extent of sixty million dollars, on behalf of the Canadian Pacific Railway.

C.H. Cahan,

Secretary of State.

Reference No 110

Mover Mr. Howard:

Dated: March 14 1934.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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P.C. 2490.

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 29th November 1933.

The Committee of the Privy Council have had before them a joint report, dated 28th November, 1933, from the Right Honourable the Prime Minister, the Minister of Finance na d the Minister of Labour, submitting;

1. That they have had under consideration re quest to the Government from the Canadina Paicific Railway Company for a guarantee of a loan of sixty millions of dollars, to be borrowed from:

Bank of Montreal
The Royal Bank of Canada
The Canadian Bank of Commerce
The Bank of Nova Scotia
The Dominion Bank
The Bank of Toronto
The Imperial Bank of Canada and
Banque Canadienne Nationale.

and to be repaid on or before the 1st day of December, 1938, with interest at the rate of five percentum per annum, payable half-yearly, secured by the deposit with and pledge to the said banks by the said Railway Company of its perpetual four per cent consolidated debenture stock having a nominal or par value of One Hundred millions of Dollars.

2. That the amount to be loaned by each of the said several Banks to the said Railway Company is as follows:-

Bank of Montreal	$22,444,000
The Royal Bank of Canada	12,280,000
The Canadian Bank of Commerce	10,524,000
The Bank of Nova Scotia	5,180,000
The Dominion Bank	2,808,000
The Bank of Toronto	2,632,000
The Imperial Bank of Canada	2,632,000
Banque Canadienne Nationale	1,500,000
Total	$60,000,000

3.- That careful consideration has been given to the request of the said Railway Company and it appears thzt the capital obligations and indebtedness payable by the said Railway Company in the United States of America between the first day of June, 1933, and the first day of December 1934,

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amount in the aggregate to thirty-two millions seven hundred and eighty-eight thousands of dollars. The capital obligations and indebtedness payable in the Dominion of Canada during the same period by the said railway company amount in the aggregate to twenty seven millions of dollars. Of the said capital obligatio s and indebtedness of thirty-two millions seven hundred and eighty-eight thousands of dollars payable in the United States of America, two millions five hundred and forty-four thousands of dollars,, part thereof, are payable in either the United States of America or in Great Britain.

4. That the said capital obligations and indebtedness of the said railway company have been incurred in the usual conduct of its business, and it has been the practice of the said railway company to retire its outstanding capital obligations by the sale, from time to time, of its perpetual four per cent consolidated debenture stock, but under the exonomic conditions which have prevailed for some time, it has been impossible and i is still impossible to sell such perpetual consolidated debenture stock, or any other securities of the said railway company on satisfactory terms, if al all, either in t e Dominion of Canada or in the United States of America.

5. That the President of the said Railway Company recently visited London England, and has reported that it is impossible to secure permission, under existing economic conditions, o make a public offering of the securities of the said railway company in the United Kingdon; and, apart from the existing governmental prohibition against the sale in the United Kingdom of the securities of private companies or corporations domiciled elsewhere than in the United Kingdon, railway securities (other than domestic) of all kinds are not in demand inthe United kingdom; and, further, that it is not practicable presently to renew the obligations of the said railway company maturing the United States of America.

6.-

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6. That after careful investigation it was apparent that the only source from which money could be borrowed bythe said railway company to meet its said maturing capital obligations and indebtedness was the chartered abnks of Canada, and such Banks do not make loans for a period of five years unless they are so adequately secured or guaranteed as to enable the said banks to re-discount or obtain advances on the notes of the borrower and thus render available for the conduct of their ordinary commercial business the whole or such portion of the advances made as may be required; and, under existing economic conditons, with the low level of prices for railway securities, the guarantee of repayment by the Dominion of Cnada was necessary if the said loan of Sixty Millions of Dollars was to be made to the said railway company by the said banks.

7.- That the perpetual four per cent consolidated debenture stock of the said railway company is widely distributed in various parts of the world, particularly in the United kingdom, where the market price hereof has in recent months been as high as eighty-five per cent of the per value thereof, and, in the opinion of the Ministers, failure by the said railway company to pay and discharge its said capital obligations and indebtedness at maturity would create a situation injurious to the credit and financial position of the Dominion.

8.- That, under the provisions of The Relief, Act, 1933, the Governor in Council is authorized and empowered to loan or advance money to or guarantee the payment of money by any public body, corporation or undertaking, and in respect of such loans, advances and guarantees, may accept such security, enter into such agreements, and generally do all such things as the Governor in Council may deem necessary and expedient in the public interest; and to take all such measures as in his discretion may be deemed necessary or advisable to protect and maintain the cred t and financial positon of Canada.

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9. That the said railway company is a public corporation carrying on its operations not only in Canada but in other parts of the world; and, in the opinion of the Ministers, under present disturbed economic conditions, it is desirable, to prevent default by the said railway company in discharging its said capital obligations and indebtedness as they mature, and in the public interest, to grant the request of the said railway company as a measure for the protection and maintenance of the credit and financial position of Canada

The Ministers, therefore, recommend that the Minister of Finance be authorized and empowered to enter into an agreement with each of the said eight chartered banks, guaranteeing payment to such bank of the sum mentioned in the said agreement, being the amount loaned or to be loaned by the said bank to the said railway company, as hereinbefore mentioned, with interest at the rate of five per cent per annum, payable half-yearly, in the following general form:

THIS AGREEMENT, made and entered into this..... day of.....1933

BETWEEN.

His Majesty the King, in right of the Domion of Canada, hereinafter referred to as and designated - The Crown acting herein by the Honourable Edgar N. Rhodes, K.C., the Minister of Finance of Canada, thereunto duly authorized by Order in Council, No. P.C..... of the FIRST PART:

AND

..... a Canadian Bank, duly chartered under the Bank Act and the Bank Charters Continuation Act, 1933, hereinafter referred to as and designated the Bank of the SECOND PART —

:::::::::::::::

WHEREAS the Bank has loaned or proposes to loan to the Canadian Pacific Railway Company sums amounting in the aggregate to..... Dollars, repayable as to..... Dollars, part thereof, on the twenty-second day of June, 1938, and as to .....Dollars, the balance thereof, on the first day of December, 1938, all with interest at the rate of five per cent per annum, payable half-yearly, evidenced by the promissory

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notes and undertaking of the Railway Company and secured by the deposit with and pledge to the Bank of the perpetual fou per cent consolidated debenture stock of the railwat company having a nominal or par value of..... .....dollars represented by cer tifiesate No..... registered in the name of..... . ..... and delivered to the Bank herewith.

AND WHEREAS the Railway Company has requested the Crown o guarantee the repayment ot the Bank of the said sum of..... .....dollars and.....dollars amounting in the aggregate to..... .....dollars as aforesaidk at the respective dates of the maturity thereof, with interest at the rate of five per cent per annum, as aforesaid, and the Crown ahs agreed sotodo;

NOW THEREFORE THIS AGREEMENT WITNESSETH AS FOLLOWS;

1. The crown hereby guarantees the repayment to the Bank at maturity of the whole or the then unpaid balances of the loans made or to be made by the Bank to the Canadian Pacific Railway Company amounting in the aggregate to the sum of.....dollars with interest thereon at the rate of five per cent per annum, payable half-yearly the date of maturity of...l..... ..... dollars of the said loans being the twenty-second day of June 1939, and the date of the maturity of..... .....dollars, being the balance of the said loans, the first day of December 1938, and the dus dates of the interest payments t ereon being the twenty-second twnety-fifth day of December and the first fourth day of June in each and every year during the c urrency of the said loans.

2. In the event of default being made by the Canadian Pacific Railway Company in the repayment at maturity of the whole or any part of t e said loans and inter st at the rate of five per cent per annum, payable half-yearsly, as aforesaid, and the Crown being called upon to repay the sam in whole or in part, the Bank hereby undertakes and agrees to endorse, assign or set over and deliver to the Crown all notes, undertakings and documents held by the Bank in connection with the said loans to the Railway Companym and to transfer and deliver to the Crown the perpetual four per cent consolidated debenture stock pledged to the Bank by the Railway Company as security for the said loans.

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C C151412

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, in manner and form by law provided

The Committee concur in the foregoing and submit the same for Your Excellency's approval.

E.J. Lemaire,

Clerk of the Privy Council.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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C151413

SESSIONAL PAPER NO 150C

Canada

Department of the Secretary of State

Thursday Mar 15 1934.

RETURN TO AN ADDRESS OF THE HOUSE OF COMMONS, dated 12th March 1934 showing:

A copy of Order in Council P.C. 1229, dated June 28, 1933, covering grant of $13,439.28 to the Dominion Steel and Coal Corporation, re interest on cost of steel rails for Canadian National Railways.

C.H. Cahan

Secretary of State

Reference No.111

Mover: Mr. Howard.

Dated: March 14, 1934.

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P.C. 1229

Certified to be a true copy of a Minute of a Meeting of the ecommittee of the Privy Council, ap roved by The Deputy of His Excellency the Governor General on the 28th June 1923.

The Committee of the Privy Council have had before them a Joint Report, dated 21st. June 1933, from the Minister of Railways and Canals and the Minister of Labour, representing;

That, in order to assist in the relief of the existing unemployment situation in Nova Scotia, an arrangement was made under date of May 25, 1932, with the Dominion Steel and Coal Corporation, Limited, to manufacture steel rails amounting to 15,000 gross tons at $46.00 per ton, to be delivered d.o.b. cars at Sydney on March 1, 1933, up to which date there were to be no extra charges, but after March1 1933, the Government agreed to pay the interest charges on the value of such rails unless previous to that time the Canadian National Railways had taken over the rails.

That approximately the specified amount of 15,000 gross tons of rails were manufactured during the months of November and December 1932, and inspected with respect to specifications of the Canadian National Railways. The tonnage certified by the inspection is as follwos:

14,415 gross tons, 1,809 lbs. No. 1 rails
645 gross tons, 1,994 lbs. No. 2 rails

That under date of May 4th. 1933, Dominion Steel and Coal Corporation Limited rendered a bill against the Department of Railways and Canals covering interest 1st. March to 30th April, 1933, on rails rolled in November and December 1932, now in storage at Sydney, claiming interest on $705,680.70 for 61 days at 6% amounting to $7,076.14, and have submitted a certificate from the Bank of Montreal that advances had been made to the Dominion Steel and Coal Corporation Limited, to the extent of the full value of the 15,000 gross tons of rails upon which interest was payable monthly at the rate of 6% per annum.

That in computing the amount upon which the Company claims interest, the Dominion Steeland Coal Corporation Limited have valued the rails at a price of $47.25 per gross ton for No. 1 steel rails and $44.95 per gross ton for No. 2 steel rails and in explanation of the price represent that in conformity with trade practice an extra 50¢ per ton for free head section" and an extra of 75¢ per ton for "Makkie process" had been added to the basic price of $46.00 per ton specified in the arrangement with the Government.

That at the time the price of $46.00 per ton was specified in the order of May 25th. 1932, which was

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then the base price for such rails, it was understood that the manufacture of the rails was to proceed immediately upon the placing of the order but that between the date of May 25th and the date at whcih the Company commenced to manufacture the rails the base price for such rails had been reduced.

That at a meeting of the Executive Committee of the Board of Directors of the Canadian National Railways held in Montreal on May 8, 1933, a resolution of the Committee was passed reading in part as follwos:

> "There was submitted to the meeting a memorandum dated May 4th from Mr. Vaughan.....
>
> The above memorandum also referred to the order for 15,000 tons of rail placed by the Government in the Spring of 1932 with the Dominion Steel and Coal Corporation for delivery on March 1st. 1933, that a price has not yet been agreed to by the National Railways; that the Steel Corporation after negotiations is ready to accept a base price of $44 per gross ton plus 50¢ per ton for head free section and 75¢ per ton for a special process, which 75¢ Mr. Vaughan does not consider reasonable. He feels that the total cost should not exceed the price paid to the Algoma Steel Corporation.
>
> Moved by Mr. Palmer, seconded by Mr. Smart
>
> AND UNANIMOUSLY RESOLVED
>
> That not exceeding $45.25 per ton as above referred to may be settled as the price for the said 15,000 tons of rail as of March 1st, 1933, including the use of the Mackie process."

That with respect to the rate of interest charged by the Bank of Montreal against the Dominion Steel and Coal Corporation Limited on account of advances made by the Bank to the Corporation in connection with the manufacture of the said rails, it does not appear that the rate of interest, after March 1 1933, should be more than 5% in view of the undertaking of the Government to pay such interest after that date.

The Ministers, on the advice of the Deputy Minister of Railways and Canals and the Deputy Minister of Labour recommend that authority be given for the payment, out of the Consolidated Revenue Fund in accordance with the provisions of The Relief Act, 1933, to the Dominion Steel and Coal Corperation Limited of the amount or amounts of interest at the rate of 5% per annum upon the value of the quantity of rails rolled, as per the inspection ceritficates, the said

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quantities to be valued at $45.25 per gross ton for No. 1 rails and $45.25 less 5% for No. 2 rails, such interest to be paid to Dominion Steel and Coal Corporation Limited in respect of the balance of the value of rails that may at any time after March 1 1933 be outstanding for settlement by the Canadian National Railways in espect of tonnage remaining to be taken over by the Canadian National Railways

The Ministers observe that the quantities certified to in the inspection reports are estimated quantities which are subject ot verification upon final weighing of the rails as and when to be taken over by the Canadina National Railways. and that final settlament will be based upon the quantities ascertained through actual weighing at the time of final taking over.

The Committee concur in the foregoing recommendation and submit the same for approval.

[Sgd] E.J. Lemaire,

Clerk of the Privy Council

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C151417

Action Taken Under Unemployment
and Farm Relief Legislation,
"Peace, Order and Good Government"
Clause

1. Prohibition of the Export of Gold.

2. Valuation of Securities in Bank Returns.

3. Valuation of Securities in returns
submitted to Superintendent of Insurance.

(Unrevised Hansard, March 27, 1934, page 2046)

For guarantees and advances under Relief Legislation
see Statement re Expenditures, Loans, Guarantees.

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K. Roy
Public works Programme
Coll - Unemployment policy

Art #8, April 1934.

C151418

THE MYTH OF THE WORKS REMEDY

By R. J. Deachman.

Since the first days of the depression clamorous cries have gone out to the government to spend money on public works. Sometimes one wonders if the ardor of the appeal arises from an honest desire to give aid to unemployment or if, perchance, there is coupled with it a measure of anxiety to aid some contractor or purveyor of construction materials or machinery.

There are certain aspects of this problem which ought to be examined. Taking building as indicative of activity in other lines of construction we find the following rather startling record in sixty-one cities providing reports to the Bureau of Statistics:

1929	$234,900,000
1930	166,300,000
1931	112,200,000
1932	42,300,000
1933	21,700,000

Building permits have fallen to about 14% of their former level. McLean's building report which covers a much wider field and includes construction of roads, streets, sewers, bridges, general engineering work, gives us a still more comprehensive glimpse of the field. The figures follow:

1929	$576,600,000
1930	456,900,000
1931	315,400,000
1932	132,800,000
1933	97,300,000

What has happened? Why this tremendous decline? The whole thing can be summed up in one sentence: Industry is no longer profitable. When business was at its peak in 1929 and 1930, governments, federal, provincial and municipal, private corporations and individuals, planned and constructed these works. They did it because it paid and because funds were available. They do not do so now because it does not pay and would not even if the necessary money were on hand. The suggestion is that we shall improve the situation in the Dominion by asking the federal government to do what private industry fails to do because it is no longer profitable. Can these things be made to pay if the government now attempts to do what private industry and municipal enterprise refuses to consider? Can a thing be profitable for a group and unprofitable for the members of the group - there is the bald fact. What about it?

There is scant profit in industry. Costs are too high in relation to selling price. The answer is: "Prices must go up or costs must come down". That is not the whole answer - an advance in prices, if it failed to readjust the present disparity, might well be fatal instead of fruitful. What then do we mean when we say that prices must go up? If it means anything it must mean the restoration of the equilibrium in prices, or in other words, adjusting the rate of exchange between the products which one man produces and the products which another man produces so as to enable business transactions to take place between them in the normal way. The problem is not one of low prices but of low prices in some commodities, relatively high prices in others.

What do we mean when we say that costs must come down? There are several factors in production. Each must contribute its share. The rates of money are too high. That is a problem in process of solution. Rents also are high in relation to basic products. In some cases wages are too high - in others profits are too high, though this is not generally applicable. You cannot facilitate the making of the adjustments which must take place between costs and selling prices by adding tremendously to the expense of government, by the development of a program of unnecessary public works which will necessitate a carrying charge in future years for maintenance and repair, interest and depreciation. Besides, to some extent at least, by drawing capital into non-productive enterprises this effort will tend to delay the operation of the law of supply and demand in lowering interest rates.

It is suggested in some places that a program of public works acts in the nature of a priming charge for the pump. In other words, they say that it is

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necessary to do something "to get started" and if once this credit is established the money will remain afloat in business enterprise in some form or other and thus increase and sustain active and effective purchasing power.

There are several ways of looking at this. We have had a lot of priming of the pump during the last few years. Under the Relief Act of 1930-1-2-3, there has been expended $110,198,000. In addition loans and advances to the provinces and to the C.P.R., (not including the $60,000,000 guarantee loan), amounted to $52,900,000. That the priming of the pump did not prove very effective may be proved from the fact that there were 258,298 heads of families receiving relief in January 1933 and the number stood at 260,157 in January 1934. The priming charge has apparently failed to provide the relief and apparently the priming itself has become frozen. As fast as we started people into employment some other force was equally busy starting them back to unemployment. It is a question if such a program, hampered and handicapped as it is, when it represents little more than political improvisation, is of more than doubtful benefit to labor. Certainly from the long viewpoint it is not. It takes capital for public works which constitute transient aid at the best and the works themselves demand attention in the form of upkeep. These public works will be pensioned by the state, rendered too poor by these efforts to provide pensions for the worker.

By its very nature the work is temporary. We cannot go on building roads continually in the least frequented sections of the community, the money spent constitutes purchasing power for a time and, for a time, becomes diffused throughout the entire community. There is a temporary stimulus to mercantile activities, but as this activity passes away the community wakes up to the fact that it has fastened upon itself obligations which definitely restrict the prosperity of the future. The boost to prices given by artificial employment is withdrawn. It is a stimulant at best. It works only if the patient is recovering without assistance. It is a restraint to recovery in every other circumstance.

After the debauch comes the awakening. We have found in the past that bills which we thought we had kicked down into futurity come up and must be paid. We are struggling now with a load of too many bills. The nation and industry in general has equipment beyond the effective demand for the products produced. When the bills come in they are a ball and chain about the feet of industry. They add to the costs of government when the costs of government should be reduced. They constitute another inflexible element, preventing normal adjustment to altered conditions, driving us still further into a rigid framework with more planned economy and still further buttressing of inflexibility.

The world has tried almost every possible method of raising prices, but it is difficult to tell whether any of these measures have been successful or if the adjustment which has taken place is the normal result of altered supply and demand.

We started on this course with obstructions against international trade in the form of tariffs. The bonds have been tightened by embargoes and exchange control. From interference with international trade we now head downward over the course to interference with domestic trade. We have controlled production of wheat and similar limitations are not improbable on dairy products and meats. We are to have a marketing board which will tell us who is to buy and who is to sell and where and when and how. We shall eventually fasten fixed prices upon labor as was done in England following the Black Death. All these things have been tried before in past history. There is nothing new about them except that in a new world with unlimited possibilities for the extension of freedom restrictions impinge with far more deadly force. Political freedom has fled from the great areas of the world where it formerly had its home. Even in Canada the shadows menace. When political freedom disappears economic freedom passes out with it. The sufferers in these conditions must be the farmers, basic producers and labor. The rights of these classes expanded with liberty, they will perish when liberty perishes.

* * * *

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IH/3 P.C. 875 Coll - Unemployment Policy

[redacted]

C151420

PRIVY COUNCIL CANADA

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 1st May, 1934.

The Committee of the Privy Council have had before them a report, dated 27th April, 1934, from the Minister of Labour, representing:

That Parliament has enacted legislation which may be cited as The Relief Act, 1934;

That Clause 6 thereof provides that the Governor in Council shall have full power to make all such Orders and Regulations as may be deemed necessary or desirable to carry out the purposes and intentions of this Act.

The Committee, on the recommendation of the Minister of Labour, advise that the administration of the said Act be vested in the Minister of Labour.

G. G. Kazor

Asst Clerk of the Privy Council.

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Coll - [redacted] policy

C151421

Fifth Session, Seventeenth Parliament, 24-25 George V, 1934.

Typed copy from Privy Council (without Schedule)

THE HOUSE OF COMMONS OF CANADA

BILL

An Act to provide for the construction and improvement of certain public works and undertakings throughout Canada.

First reading, June , 1934.

The Prime Minister.

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C151422

Fifth Session, Seventeenth Parliament, 24-25 George V, 1934.

THE HOUSE OF COMMONS OF CANADA

BILL

An Act to provide for the construction and improvement of certain public works and undertakings throughout Canada.

Preamble. WHEREAS it is in the national interest that the Dominion of Canada should undertake the construction of certain public works and undertakings for the general advancement of the country and to accelerate recovery to more normal economic conditions; and whereas the construction and execution of the works mentioned in the Schedule hereto will tend to increase employment and reduce expenditures for relief purposes: Therefore, His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:-

Short title. 1. This Act may be cited as The Public Works Construction Act, 1934.

Authority to make contracts to execute and complete works. 2. The Governor in Council is hereby authorized to enter into all such contracts and agreements and do all such other acts and things as may be necessary and expedient for the purpose of executing and completing the several works and undertakings mentioned in Schedule A to this Act.

Acquisition of lands. 3. The Governor in Council may acquire such lands as may be necessary for the purposes of this Act, and the provisions of the Expropriation Act, chapter sixty-four of the Revised Statutes of Canada, 1927, shall apply.

Amount appropriated. 4. The Governor in Council may pay out of moneys provided for that purpose in the Consolidated Revenue Fund such sums of money as may be necessary for all or

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4 cont'd. all or any of the purposes of this Act, not exceeding in the aggregate the sum of forty million dollars.

Administration.

5. The Governor in Council may from time to time place the administration, management, construction and execution of any of the works mentioned in Schedule A to this Act under such Minister or Department of the Government as may be considered most advisable in the public interest.

Tenders.

6. Except as hereinafter provided, the Minister or Department of the Government entrusted with the administration, management and execution of any of the works set forth in Schedule A to this Act shall invite tenders for the construction and execution of such works, and contracts for all such works and undertakings shall be awarded under the direction of the Governor in Council.

Cases in which tenders may not be required.

7. In case of work of pressing emergency in which, in the opinion of the Governor in Council, delay would be injurious to the public interest, or in which, from the nature of the work it could be more expeditiously and economically executed under the direct supervision and control of the officers and employees of the Department in charge of such work, the Governor in Council, on the recommendation of the Minister of such Department accompanied by a certificate of the Chief Engineer of such Department or of the Chief Engineer of the Department of Public Works, may direct that the work proceed forthwith without inviting tenders: Provided that no one work or undertaking certified by the Chief Engineer of the Public Works Department to involve an expenditure in excess of twenty-five thousand dollars shall be authorized by the Governor in Council except on contract based on tenders.

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8. For the purposes of this Act, the Governor in Council may authorize the Minister charged with the execution of any work under this Act from time to time to employ such architects, engineers and other persons as may be required.

Assistants.

9. All orders in council made under the provisions of this Act shall be laid before the House of Commons forthwith after the making thereof if Parliament is then sitting, and if not, then within the first fifteen days of the next ensuing session.

Orders ~~and regulations~~ laid before House.

10. The Minister of Finance shall make a report to Parliament within the first thirty days of each session during the currency of this Act, containing a statement of all moneys expended under the provisions thereof and the purposes to which they were applied.

Report to Parliament.

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Unemployment misc. memo

Coll - Un[redacted]licy.
Nat. Character of Unemployment July/1934.
Problem + Change in
Gov't Attitude re

C151425

Unemployment Relief

Unemployment and Unemployment Relief are National Problems

At recent Dominion-Provincial Conference (July 30, 1934) the Prime Minister announced Government would not continue system of sharing costs of direct relief with provinces and municipalities, but would give each province a fixed grant in aid for unemployment relief purposes.

In so doing Mr. Bennett placed responsibility for relief upon municipalities and provinces - direct contradiction to his position at General Election, 1930:

Mr. Bennett, - Calgary June 12, 1930,
"Calgary Herald" June 13, 1930:

"I am convinced this problem has ~~not~~ ceased to be local and provincial and has become national in its importance. It has reached far beyond the narrow confines of Calgary or Alberta and is now stretching into the broad confines of our Dominion." .....

"I propose that Parliament shall formulate a definite plan for permanent relief, and that Parliament, as representing the people, shall deal with this national problem." .....

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.....

"This Dominion must deal with the problem that is no longer local or provincial, but affects the lives of the men and women of Canada and affects the civilization of this country."

If problem national one in 1930, what is it today:

September 1930, Prime Minister estimated 117,000 unemployed.

June, 1934, over one million people received direct relief.

Liberal position - Problem a National one. Relief should be handled by National Commission. Remedy should be obtained -

(a) By National fiscal policies to restore trade;

(b) By National unemployment insurance scheme.

Reason for change in Relief System

Government has indicated that financial position of Dominion and abuses and irregularities in relief administration are reasons for change in policy.

"Instances of abuses and misrepresentation adding enormously to the cost of relief were laid before the Conference."

(Morning "Citizen", July 31, 1934)

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Government itself largely to blame

(a) Financial position of Dominion

Government encouraged municipalities and provinces to spend money on relief after special session 1930 - $20,000,000.

Blank cheque encouraged unlimited expenditure.

Lack of supervision of expenditure - no Commission.

Government's policies have dried up trade and therefore revenue; have intensified depression and increased numbers of unemployed.

(b) Abuses

Great abuses revealed in reports of Auditor General.

Prime Minister refused suggestion of Liberals in Special Session re auditing - called it insult to provinces.

Assumption of Social Services and Financial Readjustment

Government should have made use of situation in last four years to reach understanding with provinces re assumption of Social Services by Dominion and re financial re-adjustment between provinces and Dominion.

Position back where it was before 1930 - grants in aid with all difficulties of that problem.

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Up to March 31, 1934, present Government has spent as its own share in relief over $110,000,000. and made loans of over $50,000,000. Nothing to show as a result. - No scheme re insurance. No understanding with provinces re amending B.N.A. Act and transfer Social Services to Dominion. Only debts and irregularities.

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Coll - Unemployment policy

C151429

Moved by Mr. Ian Mackenzie,

Seconded by Mr. Ross Gray,

That all the word after the word "That" in the motion be struck out, and the following substituted therefor:

This House regrets that, notwithstanding the specific promises made prior to the election of 1930, and many times since reiterated, and despite the fact that extraordinary powers to deal with unemployment have been repeatedly secured from Parliament, the present Administration, after nearly five years of office, has not yet submitted to Parliament any definite or effective policy to deal with widespread actual unemployment or distress which continues to be Canada's most urgent national problem.

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unemployment

Coll - Unemployment policy

[redacted]

C151430

Bennett Expenditures Public Works

On Eve General Election

Full $31,000,000 allotted Public Works Department, has been contracted for;
This sum includes $26,000,000 from the forty million
fund;
The other $14,000,000 of that fund having also been practically
all spent by interior and other departments;
In addition there is public works own estimates
of $15,000,000;
The haste to spend all this money is obvious especially as
the forty millions is spent without the control of the
public works act
Should not public works have been given the $26,000,000 to spend
as it spent its estimates with public tenders and all
allowed to compete
The only answer - election patronage

~~Tariff board took over new job as Dominion trade and~~
~~industry commission~~

~~Hist~~

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Call - Unemployment policy.
To [redacted]
Black charges

by Mr. King

Election Promises Result in

Extravagant Expenditure

-4-

C151431

At a moment when trade was beginning to diminish and revenues to decrease, and when the difficulties of governments to balance their budgets was becoming increasingly apparent, he was not obliged to make the most extravagant promises in the way of expenditure of public monies which any public man at any time and in any place has ever made in an appeal for power. But this he did in all parts of the Dominion, and even the beginning of implementing but a few of the reckless expenditures he promised has led to an increase in the public debt, an increase in taxation, and resort to borrowing on a prodigious scale. If the difficulties of balancing the national budget have become well nigh insuperable, these difficulties he has in very considerable measure brought upon himself. The provinces of this Dominion had accepted with good grace, at the time of their expiration or such extension of time as it was felt advisable to grant, the dis-continuance of the grants in aid made by statute for a number of purposes. No pressure, other than that which was purely political, was being placed on any political party to renew these grants, more particularly at a time approaching financial stringency. Especially when the Government of the day was refraining from making expenditures of the kind, and in

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fact was giving reasons to the electorate why, in the public interest - in the interest of the Dominion, the provinces, and the municipalities alike - they should not be renewed, the leader of the Conservative party was not called upon to pledge, reardless of conditions, their immediate renewal, if returned to power. Nevertheless, this appeal was made, and no one knows better than the Prime Minister himself the crippling effect the attemtped fulfilment of what was impossible has had upon the finances alike of the municipalities and the provinces of this Dominion.

I can hear the Prime Minister saying to himself, with all righteous indignation, which upon occasion he is so easily able to command: Did I not say that I would do these things and am I to be chided for fulfilling my promises? Let me point out that the raise in tariffs and the expending of public money were not the promises he made. These were the means that he said he would employ. We, as a party, took issue with him as to these being the right means to employ. The promises that he made were that he would end unemployment, that he would find markets - and these promises he proposed to fulfill by lavish expenditures of public money, [illegible] more and more in the way of protection and by blasting a way into the

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markets of the world. Well, we have had a taste of all three, and the present condition is worse than anything known since the honourable gentleman took office.

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Coll - Unemployment policy 1930-1935

C151434

Extracts from Speeches by Mr. Bennett. [redacted]

Provincial vs Federal

jurisdiction in

respect to monies paid

under Unemployment Relief;

Special Session 1930

Employment Commission &c. &c.

Rt. Hon. R. B. Bennett
Hansard, Sept. 12, 1930.

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It is not the intention to undertake the work of municipalities, but because of the extraordinary conditions which prevail and the national necessities, it is intended to assist those who, by law, are chargeable with responsibility, namely, provinces and municipalities, dealing, of course, through the provinces because it would be a usurpation of jurisdiction on the part of the Dominion to go over the heads of the provinces and deal with municipal organizations.

.....

Note my statement to which this is an answer

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With respect to the other point which my right hon. friend has made, I shall be glad to consider it. But may I put this to my right hon. friend—and I think the law

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page 164 (cont'd.)

officers would so advise him: this parliament has no jurisdiction to interfere with the provinces and the municipalities in the expenditure of their moneys. If that were made a condition I think it would be regarded by the provinces as an insult.

.....

page 173

I have listened with some interest to the observations that have been made by hon. gentlemen opposite with respect to an audit. I assured them two days ago that the usual safeguards that surround all federal expenditures would be made in this case. I am not prepared to yield to the observations that have been made by hon. members in this house, criticising the provincial administration, when there is no one here to answer for that administration; and what is more I will not become a party to the insulting of the electors of Ontario.

As I understand it we are here to deal with problems that touch the people of Canada, and if we are right in our diagnosis—and everyone seems to think we are right, most of all the leader of the opposition, who says that his

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page 173 (cont'd.)

party does not propose to offer any opposition to the enactment of this legislation--how can we depart from a fixed principle, that principle being that this parliament must provide machinery for the audit of public expenditures, but that it cannot follow to its destination every expenditure that is made, involving an interference with the jurisdiction of provincial legislatures and municipal councils and bodies of that character. Are we to be told, because two or three members of this house stand up and complain of a provincial legislature, that therefore we are to insult that legislature by saying that we are to deal with their affairs and not our own? Are we to mind our business or their business? Were we elected here for that purpose or not? I have some reason to believe that the Premier of Quebec would resent very greatly any effort on the part of this Dominion to interfere with the transaction of business which is within the scope of his jurisdiction.

.....

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I will look further into the suggestion made by the leader of the opposition, but I cannot conceive how

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[redacted]

page 175 (cont'd.

under our constitution any self-respecting province would expect the Dominion government to place upon it what I regard as an unenviable and unnecessary insult by saying:

> Where any moneys are expended under this act by way of contribution to provinces, municipalities, or other bodies, the Auditor General shall audit the expenditure made by the province, municipality or other body, and shall report thereon to parliament within thirty days after the commencement of the next session.

If this parliament can vote $200,000 for relief in Japan it can vote the sum of $20,000,000, which the hon. member for Winnipeg North Centre (Mr. Woodsworth) says will be wholly inadequate, to provide relief for Canadians.

.....

page 188

Mr. BENNETT: My hon. friend is wrong also in saying that there will be no record; for the province when it receives the money must enter in its receipts, in its accounting system, the fact that it has received this money from the Dominion; and its accounts will show the expenditures.

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C151438

page 188 (cont'd.)

Mr. RALSTON: But this house does not get that.

Mr. BENNETT: It is part of the public accounts. I cannot ask this parliament to impose upon any government a responsibility which that government may not be in a position to discharge, and I should not think therefore that this or any other government ought to accept such an amendment.

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Coll - Unemployment Policy

[redacted]

Extracts from Speeches by Mr. Bennett - Provincial vs Federal Jurisdiction in respect to monies paid under Unemployment Relief; Employment Commission, &c., &c.

C151439

Debate on Mr. Heaps Motion for a

Federal System of Unemployment Insurance

Session 1931

Hansard, April 29, 1931

page 1100

Moreover, it has been said by some of the premiers in days gone by, provinces do not feel competent to carry on and discharge all their constitutional obligations; therefore there must be a combined effort on the part of the provinces and the Dominion in order to attain any success. I do not think I am violating any confidence when I say that in a conversation which I had with a former minister of Great Britain who had this matter in hand, Mr. Neville Chamberlain, he indicated after travelling over Canada that in his opinion a system to be successful must be one representing the combined efforts of the provinces and the Dominion.

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C151440

Unemployment Situation

Replying to question by Mr. Donnelly

Rt. Hon. R. B. Bennett
Hansard, June 30, 1931.

page 3183

Obviously any statement that I would make on behalf of the Dominion government would have to be made after the provinces had thoroughly canvassed the situation, and when they were aware of just what had to be done, and were in a position to state in what manner we might assist them, for it would be an intrusion into their affairs for the Dominion primarily to act in the situation. Not only would it be an intrusion, but one that might be resented, for already one of the provinces has stated that the government does not desire any assistance from the Dominion with respect to unemployment.

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Re Western Crop Failure

Rt. Hon. R.B. Bennett
Hansard, July 1st, 1931

page 3249

"But I should like the attention of the ex-Minister of Justice (Mr. Lapointe) and of those members of this house who are of the legal profession, and I ask them to reflect for a moment just what our powers may be in dealing with matters that are primarily within the jurisdiction of the provinces. The late Lord Haldane observed that the provinces were quasi-sovereign entities, and in dealing with questions of relief we can do so only at the request and with the consent of the provinces affected."

.....

"Well, knowing as I do something of what is transpiring in Canada, I am perfectly certain that not only will objections be registered but that action will be taken that will involve the expression of opinions by courts. And courts must administer the law regardless of the fact that emergencies exist, unless parliament makes a declaration of a character which it may be very difficult for it to make, inasmuch as one of the provinces,

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as I have said, has intimated that it desires no assistance in dealing with the problem in question. I mention this because it seems to me to be the threshhold of all our consideration of this matter."

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Coll - Unemployment policy

Extracts from Speeches by Mr. Bennett - Provincial vs Federal Jurisdiction in respect to monies paid under Unemployment Relief; Employment Commission, &c., &c.

Relief Expenditure
in
New Westminster, Burnaby and Richmond

C151443

Session 1932.

Hansard, Feb. 12, 1932

page 167

Mr. BENNETT: It is of course recognized by the government as a fundamental principle that any assistance given to provincial governments must be given through the governments of the respective provinces; otherwise the dominion would be interfering in what is exclusively within the jurisdiction of the several provinces or municipalities. The arrangement was that the various projects should be determined between the municipalities and the provincial government and that the federal administration would give assistance to the various projects that were thus approved, the federal administration of course exercising its discretion in the granting of approval.

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C151444

Unemployment and Farm Relief Act

Extension of Time for Operation of the Statute

Hansard, Mar. 8, 1932

page 911

Mr. KING:

I think it is an open secret that, in dealing with the provinces, my right hon. friend told the premiers or provincial treasurers that, with respect to expenditures which they were making, he in control of the federal treasury and of the government of Canada would not countenance loans to them beyond a certain point unless they discontinued some of their expenditures and curtailed in many ways the outlays of public money.

Mr. BENNETT: I do not think that is correct; I recall no occasion on which that was so.

Mr. MACKENZIE KING: Will my right hon. friend say that in no case did he put pressure upon the provinces to curtail expenditures which they were making?

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C151445

1 9 3 2

page 911 (cont'd.)

Mr. BENNETT: That is a different thing. I never made it a condition with any province that they should curtail any specific expenditure. I understand that their banks told them that they had to balance their budgets; that is as far as I know, but I certainly did not impose any conditions except that we should have vouchers indicating what the expenditures were for.

Mr. MACKENZIE KING: If my right hon. friend did not caution the provinces with respect to expenditures, I think he failed to discharge his duty as he should have discharged it.

Mr. BENNETT: That is a different thing from saying I did.

Mr. MACKENZIE KING: I am somewhat surprised to hear my right hon. friend take exception to a course of action which I think so highly commendatory, and which I for one would approve as being the right course to take.

Mar. 23 page 1406

Mr. BENNETT: We had to remember that the provinces have their pride; they are not wards of this parliament. In the

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C151446

page 1406 (cont'd.)

language of Lord Loreburn they are just as supreme within the ambit of their legislative powers as this parliament is within its. They have their pride, they have their duties, they have their legislative responsibilities; and the bounds of their jurisdiction are set by the constitution.

page 1409

In order to correct a misapprehension, may I say here that the hon. gentleman and one or two others have suggested that a commission should be appointed in each province to deal with these matters. I tried to make it clear the other day that this parliament has no power to create a commission to function in provincial matters within a province—that is the business of the province and the business of no one else. As long as the province have their pride and their jurisdiction they cannot be made wards of this dominion. A commission was set up in Saskatchewan, but it was set up by the provincial administration. It is true that we exercised supervisory control, and even more than that, we put in an accountant for the purpose of checking and rendering assistance to see that the greatest economy possible was practised in this time of stress.

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C151447

Unemployment Relief

Agreement with Province. (Bill 72)

Hansard, April 28, 1932

page 2445

Right Hon. R. B. BENNETT: I am not unmindful that the leader of the opposition has suggested that a conference might have been held between the dominion and the provinces dealing with these financial problems. But the provinces affected have at the moment expressed the view that they are not in a position to readjust their whole field of taxation, and we certainly are not in a position to contemplate the changes that some of them would like us to make.

Hansard, May 9, 1932

page 2737

Mr. BENNETT: There is just one word more that might be said in that regard. We have had constant reiteration of the desirability of appointing a commission to deal with provincial matters. Now, the fact is that the dominion cannot appoint such a commission. The very suggestion that the right hon. leader of the opposition made in that regard would

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C151448

page 2737 (cont'd.)

mean interference by the dominion with the powers of the provinces; which we cannot do. At the conference I put before the representatives of all the provinces whether they thought it desirable to appoint a commission as was done in Saskatchewan, and I learned that some of the governments were obtaining information to guide them in the work they were doing. We told them we would assist them and do what we had done in the past with respect to supervision as to expenditures. Some expressed a fixed conviction that a commission was not satisfactory. There the matter ends. If any province desires to set up a commission it will be welcomed as far as we are concerned; that was explained as clearly as possible. So far as we are concerned, a federal commission could not assist the matter in any sense, because all it could endeavour to do would be to coordinate the efforts of the dominion and of the provinces. I think that is as fairly as the position can be put to this house at this time.

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Extracts from Speeches by Mr. Bennett - Provi[redacted] Federal Jurisdiction in respect to monies paid under Unemployment Relief; Employment Commission, &c. &c.

Sessions 1932-33

Speech on Address

Hansard, Oct. 10, 1932

page 50

Mr. BENNETT: It is not correct to say, as has been said so frequently in this house, that the proper course was to appoint a commission to administer unemployment measures. I have pointed out in this house that in the board of commerce case the privy council decided that no dominion parliament was competent to enact legislation that would interfere with the rights of the provinces in that regard, and we know that at least one province in this dominion, speaking through its premier, has said that it is capable of looking after its own affairs, that if the dominion assisted well and good, but that it was their business, not ours. The administration rests with the provinces and not with the dominion, and in that judgment Lord Haldane pointed out that it was not sufficient to say that an emergency existed. War or famine, as he said, might indeed justify the exercise of the powers of this parliament as they were exercised in time of war, but a mere statement of this parliament is not sufficient for that purpose. There can be no federal administration, to which the right hon. gnetleman referred this afternoon. There can be no valid, legal exercise of power by this parliament in the adminis-

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C151450

[redacted]

page 50 (cont'd.)

tration of these matters, for under our constitution that administration rests with the provinces and not with the dominion. The privy council spoke in no uncertain terms in that regard.

page 51

We have observed our constitutional obligations; we have discharged them generously, and we have met in a broad and general sense with the approval of the governments that have had to administer the law. We have not endeavoured to destroy the constituion nor to substitute a federal for a provincial administration. That we have not done and will not do. Nor have we endeavoured to set up a commission which might attempt to overawe the provinces or the municipalities, without authority. But we have asked the provinces to appoint commissions of men whom we would endeavour to assist in the discharge of their duties, and we have sent our own men to cooperate and assist, and in some instances to suggest what should be done.

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C151451

Unemployment

Mr. Heaps' Amendment on Ways and Means

Hansard, Nov. 22, 1932.

page 1452

Mr. BENNETT: Unemployment is not a national emergency. It may be a national condition involving the necessity of federal assistance to the provinces; but the fact that the second largest province in the Dominion has made it abundantly clear that it would not tolerate interference on the part of the federal authorities indicates clearly that all that the federal parliament can do by way of legislation is to assist the provinces in the discharge of their constitutional obligations.

.....

page 1455

One further word I should add, and it is this: It is not competent for me to discuss the merits or demerits of commissions or committees of this house, but I should like to point out that parliament has no jurisdiction to appoint a federal relief commission. That is beyond our power; such a commission could not function for the very simple and obvious reason that more than one province has made it abundantly clear that they would not tolerate this interference in their business.

.....

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page 1456

With the aid of the provinces it would be competent for this parliament to enact appropriate legislation; that was done under the War Measures Act. That act now has ceased to have effect, and the condition to which the hon. gentleman has referred is a condition that no longer exists. I repeat that at the moment there is no authority on the part of this government or this parliament to appoint and clothe with appropriate powers a federal relief commission. We have done this: A representative of the Department of Labour has visited the four western provinces, and with them he has gone into this matter. They have appointed their own commissions, by means of which they are endeavouring to discharge their obligations, and the minister is giving them such assistance as may be necessary in the premises. We must realize that there are provinces in this confederation that will not tolerate the dominion interfering with or endeavouring to trench upon their jurisdiction; that they have made quite clear, and therefore any attempt on our part to create a federal unemployment or federal relief commission not only would be beyond our power but would be met at once with the resistance which any interference or trenching upon the jurisdiction of the provinces would involve.

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C151453

[redacted]

Unemployment and Farm Relief Act

Continuance in force until the 31st March, 1934.

Hansard, Mar. 3, 1933

page 2674

Mr. BENNETT: This committee must remember that as recently as the conference which we held this spring it was reiterated that the provinces would not permit us to discharge their functions.

Mr. HANBURY: They would not permit you to look after your own money.

Mr. BENNETT: We have looked after our money to the extent of checking and re-checking the expenditures which have been made and the contributions we have granted, but that is all. The provinces will not permit the national government to undertake their functions. Some of them made that perfectly clear. Hon. gentlemen opposite talk about a national commission to deal with relief problems, but everyone who knows the elementary principles of our constitution knows that we cannot force the federal power upon the provincial authorities.

Unemployment and Farm Relief (Bill 55)

Hansard, March 23, 1933.

page 3344

Mr. BENNETT: My opinion up to this moment has been that

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C151454

page 3344 (cont'd.)

when a province charged with responsibility to its citizenry makes payments and selects its own instrument to make distribution, we, having bound ourselves by agreements to repay the portion of the money so distributed or expended, cannot be too critical of the instrument chosen and allege it to be an improper one, provided always that the audit discloses that there has been a distribution of moneys in accordance with the representations made by the province in connection with the expenditures in question.

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Coll. Unemployment policy.

Extracts from Speeches by Mr. Bennett - Pr[redacted]ral Jurisdiction in respect to monies paid under Unemployment Relief; Employment Commission, &c., &c.

-22-

1934 Session

C151455

Mr. Bennett

page 82, January 30th, 1934.

With respect to commissions they claimed, the larger provinces in particular, that they were not prepared to hand over the conduct of their provincial and local affairs to any federal commission that we might set up; that they themselves were masters in their own house and would discharge their own constitutional duties, and they sought and obtained from us assistance based on the actual necessities of the situation. All the provinces have received assistance, not the western provinces alone, but the rich great provinces of the central part of Canada, Quebec and Ontario, have also demanded their share on the same basis as the others and have received it; and they have assumed responsibility for administration. We have told them, and I am repeating what I said to them the other day, that in some instances we are not satisfied with their administration. We told them that we intended to impose conditions on grants being given unless there was evidence of better administration. That we have a right to do, and I think you will agree that it should be done.

Note

Note

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1934 Session

Rt. Hon. R. B. Bennett

page 1970, April 9th, 1934

I am very grateful for this opportunity to deal with this situation. The right hon. gentleman would have us believe that his anxiety for the public interest is so great that he must cry aloud to high heaven that money has been wasted and that the taxpayer has been defrauded. He practically charges theft against the provincial and municipal authorities. Let us see what are the facts. In 1930 when he suggested in this chamber that adequate provision was not being made to safeguard the public interest with respect to expenditures to which the dominion was contributing, we declined absolutely to deal with municipalities. There was no point of contact between the municipalities and this government except through the provincial governments. At that time we did not undertake by agreement or otherwise to do other than make a contribution to expenditures by the provincial authorities. When it was suggested that we should audit the accounts of the provinces I said that they being autonomous units, that would be little short of an insult.

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C151457

1934 Session

Mr. Bennett

page 1979, April 9th, 1934

We dealt with the province, and if a province has defrauded us we will get the money back. To say that the Dominion government should follow down every individual payment by a province for relief directly or otherwise, I simply say I do not believe that would be the thought of any intelligent person engaged in any business. The local authorities, the municipalities first, and then the provinces, must deal with them.

page 2043, April 11th, 1934

I say to this committee very frankly that the dominion was not unwilling to assume the entire responsibility for administration and everything else in those provinces, and take it over as a dominion matter, but you have to deal with provinces who are not at the moment prepared to forego their autonomy and leave the administration of these matters in the hands of an outside authority.

page 2045, April 11th, 1934

But I do say to the committee that there is not the slightest doubt in the world that unless there is a rearrangement of the powers of this parliament and the legislatures of the provinces, in the very nature of things the problem cannot be dealt with. May I say to the hon. gentleman that a commission is not necessary.

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C151458

Session 1934

Rt. Hon. R. B. Bennett

page 2177, April 16th, 1934.

Coming into office directly after, when the question of relief became an all-absorbing one, we discussed, as has been known to every member of this house, the question whether or not the federal government or the several provinces should be responsible for the administration of relief. And the several provinces disclaimed any intention to permit the federal power to exercise administrative privileges within their jurisdiction. And it is known in every province in Canada that while some of the provinces were not unwilling that such power should be entrusted to the federal authorities and that there should be a centralized administration of relief, there were others who as strongly insisted that it should not be so. And those others were the most powerful in point of population and wealth in the confederacy. So at that time we did not think, nor do I now, that in a time of distress and depression it would be possible to bring about a successful conference for amendment of the British North America Act when such an attempt failed in quiet times. I think almost every member of this house will agree that that is so .....

.... But I say to him now, and I say to this House what every member of the house must know, that a federal commission could not function throughout this dominion unless the provinces were willing that it should, and the provinces were not and are not willing. Year after year they have stated

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C151459

Rt. Hon. R. B. Bennett (continued),
April 16th, 1934.

that they desire to conduct their own relief measures in their own way, and they have done so. ....

There could be no national commission administering relief in Canada unless all the provinces were agreed. And the provinces, I repeat, have not agreed, although we were willing to undertake the responsibility. There were some provinces that were anxious that we should, but unless all were agreed, it was impossible. And the right hon. gentleman found at conferences he held in this city with the provinces to bring about amendments to the British North America Act that he could not and did not succeed. Where in quiet times it was impossible to succeed I suggest that in time of great depression no one would undertake to bring a contentious matter such as that into the realm of discussion with respect to matters of relief.

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Extracts from Speeches by Mr. Bennett - Provincial vs Federal Jurisdiction in respect to monies paid under Unemployment Relief; Employment Commission, &c. &c.

[redacted]

Housing Problem

C151460

Session 1935

Rt. Hon. R. B. Bennett
Hansard, January 24th, 1935

page 166

The provinces are very jealous of their jurisdiction; especially is that true with respect to some of the older provinces, and they will not calmly or in any other way submit to their jurisdiction being taken away from them and exercised by the federal authority. Some of the newer provinces occupy somewhat the same position with respect to matters of this kind.

.....

To suggest at any time to the province of Ontario that some commission would determine how municipalities or towns or other communities or the province itself should expend given money is a matter to which they have not listened favourably; at least they did not in my time. They may have changed.

.....

I did suggest that to deprive the provinces of their powers, to endeavour, by voluntary effort, if you will, to determine how each province should expend its money, was something that the provinces did not indicate any desire or willingness to agree to.

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C151461

Unemployment Insurance

Session 1935

Hansard, January 29th, 1935

page 280

MR. LAPOINTE: May I ask my right hon. friend if on the question of jurisdiction he has secured the views of any of the provincial governments?

MR. BENNETT: It will be recalled that in 1932, I think it was, I discussed this matter at a meeting of the provincial premiers. There were differences of view as to the respective jurisdictions of the federal power and the provincial legislatures. I have not discussed it with them formally since that occasion, nor have I had any occasion to do so informally except possibly with one or two of them. Therefore the correct answer to that question would be, no, not since the last conference in which the matter was discussed.

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P. C. 2106

C151462

[redacted]

PRIVY COUNCIL

CANADA

AT THE GOVERNMENT HOUSE AT OTTAWA

Saturday the 20th day of July, 1935.

PRESENT:

The Deputy of
HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

The Deputy of His Excellency the Governor General in Council, on the recommendation of the Right Honourable Richard Bedford Bennett, the Prime Minister, and in the exercise of the authority conferred by the Employment and Social Insurance Act, Chapter 38 of the Statutes of Canada, 1935, is hereby pleased to appoint Colonel Gordon Sidney Harrington, LL.B., of the City of Halifax, in the Province of Nova Scotia, one of His Majesty's Counsel learned in the law, to be Chief Commissioner of the Employment and Social Insurance Commission, at a salary of $10,000 per annum, and Tom Moore, Esquire, of the City of Ottawa, in the Province of Ontario, President of the Trades and Labour Congress of Canada, and Nazaire Romeo Beaudet, Esquire, of the City of Montreal, in the Province of Quebec, Civil Engineer and Insurance Manager, to be Members of the said Commission, at salaries of $9,000 per annum; the said appointments to be effective for a period of ten years from the date hereof.

E. J. Lemaire

Clerk of the Privy Council.

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OFFICE OF THE PRIME MINISTER

MEMORANDUM Employment - Nat. Emp. Comm. H-100
Government Appointments — H 10

MR. KING:

C151463

Re National Unemployment Commission.

Miss Doherty informs me, if representation is being considered from the National Council of Women, it would be well for you to know that the Roman Catholic Women's Organizations have withdrawn from the National Council of Women, on instructions of the heads of the church. The information is being made available to Mr. Rogers.

H. R.L.H.

Ottawa,
October 8 1935

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P.C. 3283

C151464

PRIVY COUNCIL

CANADA

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Administrator on the

22 nd. OCTOBER 1935

The Committee of the Privy Council have had before them a memorandum, dated 11th October, 1935, from the President of the Privy Council, submitting the following report from the Civil Service Commission,-

"The Civil Service Commission has the honour to report as follows:-

Section 59 of the Civil Service Act, Chapter 22, R.S. 1927, provides that,- "In any case where the Commission decides that it is not practicable nor in the public interest to apply this Act to any position or positions, the Commission may, with the approval of the Governor in Council, exclude such position or positions in whole or in part from the operation of the Act, and make such regulations as are deemed advisable prescribing how such position or positions are to be dealt with".

A new organization is now being set up for the Employment and Social Insurance Commission and the Civil Service Commission is taking the necessary steps or appoint the staff through competitive examination in accordance with the provisions of the Civil Service Act. The Commission considers, however, that in the case of the position of Secretary to Executive to the Chairman of the Commission it is not in the public interest to advertise the position for open competition. Under ordinary circumstances a position of this kind would probably be filled by promotion from within the organization to which it was attached but, in the case of a new organization such as that which is now being set up, recourse cannot be had to the principle of promotion and the person holding the position of Secretary to Executive to the Chairman is in such close relation to his chief that the Commission does not consider that the position should be thrown open to the general public. The present Chairman of the Employment and Social Insurance Commission who is undertaking the difficult work of organizing and getting under way an entirely new Department has had a personal

secretary/

The Right Honourable
the Prime Minister.

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Secretary for a matter of nine years, who is thoroughly familiar with his methods of work and who, for that reason, would be of great value to him in his new undertaking.

Under the circumstances, the Civil Service Commission considers that, for the present appointment only, while the organization is in its initial stages, the position of Secretary to Executive to the Chairman of the Employment and Social Insurance Commission should be excluded from the operation of the Civil Service Act in so far as the principle of competition in appointment is concerned, and accordingly recommends this exemption for the approval of the Governor General in Council; the appointment to be made by the Civil Service Commission and to be subject in all other respects to the provisions of the Civil Service Act."

The Committee concur in the foregoing and submit the same for Your Excellency's approval.

E. J. Lemaire

Clerk of the Privy Council.

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[redacted]

(1) C151466

P. C. 3453

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 5th November, 1935.

The Committee of the Privy Council have had before them a report, dated 31st October, 1935, from the Minister of Justice, referring to The Employment and Social Insurance Act, Chapter 38 of the Statutes of Canada, 1935. which was passed for the purposes set out in the recitals contained in the preamble of the said Act.

The Minister observes that doubts exist or are entertained as to whether the Parliament of Canada had legislative jurisdiction to enact the said Act, either in whole or in part, and that it is expedient such question should be referred to the Supreme Court of Canada for judicial determination.

The Committee, accordingly, on the recommendation of the Minister of Justice, advise that the following question be referred to the Supreme Court of Canada, for hearing and consideration, pursuant to section 55 of the Supreme Court Act,-

> Is the Employment and Social Insurance Act, or any of the provisions thereof and in what particular or particulars or to what extent, ultra vires of the Parliament of Canada?

E. J. Lemaire
Clerk of the Privy Council.

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C151467/102

Anonymous

[redacted]

Dec 17/25

At the close of the recent Dominion-Provincial conference it was announced that the Dominion Government would increase the grants-in-aid to the Provinces for relief purposes in order that the Provinces in turn might be enabled to lighten the heavy relief burden of the municipalities.

The decision to increase substantially and immediately the grants-in-aid to the Provinces has been influenced by the fact that the larger cities and towns of the Dominion have borne throughout the last five years a charge for unemployment relief which has involved many of them in financial difficulties and has threatened others with similar consequences.

The present increases are in the nature of interim assistance throughout the winter months pending action by Parliament. As soon as possible following the establishment of the National Employment and Relief Commission the administration of relief will receive a thorough investigation in order to obtain a proper basis for future financial contributions and to eliminate any abuses which have developed either through negligence of officials or misrepresentation of relief applicants. Those entitled to relief need have no fear of this investigation. It is they indeed who have most

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C151468

to gain by the elimination of abuses. It is equally obvious that the taxpayers of Canada are vitally interested in the correction of abuses in relief administration whether these taxpayers contribute to Dominion, Provincial or Municipal revenues. The immediate responsibility for the efficient administration of unemployment relief rests upon the Provinces and municipalities concerned. It cannot be urged too strongly that this responsibility must be faced courageously by all governmental agencies. We must seek to maintain that degree of state assistance for the unemployed which is essential to the welfare and morale of our population together with that degree of governmental economy which is essential to the preservation of national credit.

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C151469 [redacted] C-102 bl 4(c)

Province	Monthly Grant in Aid Aug. 1/34 to Nov. 30/35	Monthly Grant -in-aid proposed by Recommendation to Council of Dec. 17/35 Dec. 1/35 to Mar.31/36
Prince Edward Island	1,250.00	2,187.50
Nova Scotia	40,000.00	70,000.00
New Brunswick	25,000.00	43,750.00
Quebec	500,000.00	875,000.00
Ontario	600.000.00	1,050,000.00
Manitoba	135,000.00	236,250.00
Saskatchewan	200,000.00	350,000.00
Alberta	100.000.00	175,000.00
British Columbia	150,000.00	262,500.00
Total	1,751,250.00	3,064,687,50

December 18, 1935

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C151470
C-102
J4(c)
Dec 07/35

it being understood that the Provinces shall assist the municipalities within their borders financially to such extent as may be necessary but that such assistance and the efficiency of the administration relating thereto shall be reviewed by the National Commission on Employment and Relief as endorsed by the recent Dominion-Provincial conference as soon as may be possible after its establishment, and it being further understood that each of said grants shall be made conditional upon receipt by the Minister of Labour of an undertaking from the Province:

(a) That the said grant will be used solely for the purpose above prescribed without any discrimination as to the race, religious views or political affiliation of the recipients of the said relief;

(b) That in respect to the continuation of the Dominion's measure for the relief of single, homeless men, the Province agrees to co-operate by complying with the conditions set forth in Appendix 1 hereto attached;

(c) That the Province will furnish to the Dominion Government on request, such statistical or other information in respect to said grant as may be required.

(d) That the Province will co-operate in the administration of Unemployment Relief with the National Commission on Employment and Relief when such is established.

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[redacted]

keep with papers
RL

C151471

December 18, 1935

U-100
V.10.(a)

MR. KING:

You wish to have the following names in connection with the personnel of the Unemployment Commission:

Mr. Harry Baldwin

Dr. Thomas Robertson

Mr. H. C. Goldenberg.

~~Miss J.~~ Z. Zaviske.

L. Zavitske

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Memoranda Extracts &c

Tabulation of Mr King's Requests re Immediate Consideration of [redacted] Coll - Unemployment policy
Session 1935

C151472

Re Immediate Consideration of Present Conditions of Unemployment

1. **Jan. 21, 1935:** In speech on Address, suggested social legislation and present conditions re unemployment and relief, should not be side-tracked.

   See Exhibit.

2. **Jan. 28, 1935:** moved that priority be given consideration of conditions re unemployment and social measures, to voting of Supply.

   motion defeated, Jan. 29, by 108 to 63.

   See Exhibit.

3. **Feb. 5, 1934:** moved that, in taking up Supply, Labour estimates be given priority, to give chance to discuss unemployment conditions.

   motion ruled out of order.

   See Exhibit.

   Mr. Bennett stated, when in Supply, Labour would be discussed.

Krypton Extra Strong

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Feb. 18, 1935: House did not consider Labour items in Supply until Feb. 19th;

Took up consideration of Labour item only late in evening; merely opened up Department, no extended discussion.

Feb. 22, 1935: Sir George Perley, acting as leader, made clear intention not to proceed with Labour estimates. He said, when supply reached, Trade and Commerce, National Defence, Secretary of State would be entered.

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C151474

Re Immediate Consideration of Present Conditions of Unemployment

1. Jan. 21, 1935: In speech on Address, suggested social legislation and present conditions re unemployment and relief, should not be side-tracked.

See Exhibit.

2. Jan. 28, 1935: moved that priority be given consideration of conditions re unemployment and social measures, to voting of Supply.
motion defeated, Jan. 29, by 108 to 63.

See Exhibit.

3. Feb. 5, 1934: moved that, in taking up Supply, Labour estimates be given priority, to give chance to discuss unemployment conditions.
motion ruled out of order.

See Exhibit.

Mr. Bennett stated, when in Supply, Labour would be discussed.

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C151475

Feb. 19, 1935: House did not consider Labour items in Supply until Feb. 19th;

Took up consideration of Labour item only late in evening; merely opened up Department, no extended discussion.

Feb. 22, 1935: Sir George Perley, acting as leader, made clear intention not to proceed with Labour estimates. He said, when supply reached, Trade and Commerce, National Defence, Secretary of State would be entered.

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EXCERPT FROM UNREVISED HANSARD OF APRIL 11th, 19[illegible] Coll-Unemployment Police - PAGE 2866 -

Mr. GARLAND (Bow River): Before we proceed I [illegible] fair to direct the attention of the minister to a most cruel and probably unworthy suggestion which is being made throughout the country that a far greater proportion of the total vote is being spent on works in ministers' constituencies than in other parts of the country. I think the minister should straighten out this matter and give the committee the proportion of the total vote which is being spent in the constituencies now represented by ministers of the crown.

C151476

Mr. STEWART (Leeds): I have not figured out the expenditures on that basis; I did not anticipate it would be required. I have no objection to preparing a statement along those lines and presenting it to the hon. gentleman and the committee.

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[redacted]

J.C. Elliott
Aug-/35.

C151477

P.W.C.A. 1934.

WORKS IN MINISTERS' RIDINGS

Minister	Items in Schedule "A"	
RT.Hon. R.B. Bennett, Calgary West	Calgary Barracks ..	$1,200,000.
	Banff	150,000.
Dept of Labor has asked that labor on the Bow river work be paid 45 cts per hr P.C. 1041 Dated 18 Apl/35. S.E. 35/36	Bow River	150,000.
	Total	$1,500,000.
		400 000
		1,900,000.
Hon. W.A. Gordon, Timiskaming South	Cobalt	53,000.
Hon. R.J. Manion, Fort William	Fort William .	425,000.
Hon. R.B. Hanson, York-Sunbury	Fredericton ..	23,000.
	Fredericton ..	58,000.
	McAdam	29,000.
	Total	110,000.
Hon. H.A. Stewart, Leeds	Gananoque	18,700.
S.E 35/36	"	11,700.
		30,400.
Hon. H. Guthrie, Wellington South	Guelph	250,000.
	Guelph	15,000.
	Total	265,000.
Hon. J.A. MacDonald, Kings, P.E.I.	Montague River	57,000.
Hon. A. Duranleau, Chambly-Vercheres	St.Lambert ...	40,000.
Hon. Sir Geo.Perley, Argenteuil	Brownsburg ...	25,000.
TOTAL -	13 items	$2,493,700.
		2,905,400

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PUBLIC WORKS ESTIMATES 1930-31 [redacted]

WORKS IN MINISTER'S RIDINGS

MINISTER	CONSTITUENCY	WORKS IN ESTIMATES 1930-31	
		No of Items	Amount
Rt. Hon. W. L. Mackenzie King (Privy Council)	Prince Albert (Sask)	2	
	Waskesiu Lake - Breakwater	$12,000.	
	Montreal River Improvements to	5,000.	$ 17,000.
Hon. E. Lapointe (Justice)	Quebec East	Nil	Nil
Hon. C. A. Dunning (Railways & Canals)	Regina Sask.	2	
	Regina Armoury -	$ 34,000.	
	Regina Public Addition	225,000.	259,000.
Hon. C. A. Stewart (Interior, Mines & Indian Affairs)	Edmonton West, Alta.	2	
	Edmonton Grain Inspection Bldg	- $4,500.	
	Edmonton Immigration Bldg	- 25,000	29,500.
Hon. W.R. Motherwell (Agriculture)	Melville, Sask.	1	
	Melville Public Bldg.-	51,000	51,000.
Hon. J. H. King (Health & S.C.R)	Kootenay East, B.C.	2.	
	M.E. Kimberley Public Bldg -	10,800	
	M.E. " " " -	18,000	28,800.
Hon. P.J.A.Cardin (Marine & Fisheries)	Richelieu, Que,	3	
	Sorel Harbour Improvements	300,000	
	Sorel " "	150,000	
	Richelieu River Improvements	35,000	485,000.
Hon. J.C. Elliott (Public Works)	Middlesex West, Ont.	Nil	Nil
Hon. L. Cannon (Solicitor General)	Dorchester, Que.	Nil	Nil
Hon. F. Rinfret (Secretary of State)	St. James, Que.	Nil	Nil
Hon. R. Forke (Immigration)	Brandon. Man.	2	
	Brandon Public Bldg	- 150,000.	
	Oak Lake " "	- 12,000.	162,000.

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MINISTER	CONSTITUENCY		No of Items	Amount
Hon. J. L. Ralston (National Defence)	Shelburne- Yarmouth)		17	
	Barrington Passage- Ice Piers		25,000.	
	Centreville - Wharf repairs & reconstruction		3,000.	
	Chegoggin Point- Breakwater extension & repairs		4,000.	
	Hedge Harbour- Breakwater Extension		5,000.	
	Lockport - Breakwater Ext'n		16,500.	
	Newellton - Wharf Ext'n		3,000.	
	Port Maitland - Breakwater to complete		3,500.	
	Sandford - Breakwater		10,000.	
	Upper Port Latour - repair wharf and construct seawall		2,000.	
	Wedgeport - Breakwater Ext'n		3,500.	
	Yarmouth Harbour- Dredging		60,000.	
	Barrington Passage - wharf repairs		4,500.	
	Clark's Harbour - Wharf improvements		3,700.	
	Jones Harbour - Breakwater repairs		2,000.	
	Lower Woods Harbour - Wharf repairs		3,000.	
	Yarmouth - Wharf		3,500.	
	Yarmouth Bar - Maintenance		3,000.	155,200.
Hon. P. J. Veniot (Postmaster General)	Gloucester		9	
	Shippigan Gully- Repairs to breast works & Breakwaters		15,000.	
	Middle Caraquet - Wharf		32,100.	
	Little Lameque -Wharf enlargement		3,500.	
	Caraquet(Young Wharf) Ext'n		10,000.	
	Little Shippigan - Wharf		10,000.	
	Beresford - Breakwater		10,000.	
	Grande Anse Ext'n to Bk'r		19,000.	
	Lameque- Dredging		10,400.	
	Tracadie - repairs to Breakwaters & breastworks		25,000.	135,000.
Hon. W. D. Euler (Customs & Excise)	Waterloo North		Nil	Nil
Hon. J. Malcolm (Trade & Commerce)	Bruce North		4	
	Port Elgin- Bk'r Repairs		15,000.	
	Kincardine - Harbour repairs & Improvements		87,000.	
	Saugeen River - Harbour Impt's		38,800.	
	Lions Head - Wharf repairs		4,200.	145,000.

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MINISTER	CONSTITUENCY		No of Items	Amount
Hon. P. Heenan (Labour)	Kenora- Rainy River		5	
	Fort Francis- Pub. Bldg.	38,000		
	Keewatin- Pub. Bldg	25,000		
	Minaki - Harbour Impts	7,000		
	Kenora - Wharf	12,000		
	Wabâgoon- Wharf Ext{n	2,500		84,500
	Total		49	1,532,000.

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Coll - Unemployment policy

bill

PUBLIC WORKS CONSTRUCTION ACT

1934

SUMMARY POLITICALLY OF PUBLIC WORKS ITEMS

C151481

	Conservative	Liberal	General	Progressive
PUBLIC BUILDINGS				
Nova Scotia	$ 650,000.	$ 25,000.	---	---
Prince Edward Island	---	---	---	---
New Brunswick	797,000.	47,000.	---	---
Quebec	4,205,500.	67,000.	---	---
Ontario	3,254,750.	2,323,800.	---	---
Manitoba	1,775,000.	222,000.	---	---
Saskatchewan	400,000.	---	---	---
Alberta	200,000.	---	---	---
British Columbia	139,500.	1,030,000.	---	---
Generally	---	---	4,658,500.	---
	$11,421,750.	$3,714,800.	$4,658,500.	---
HARBOURS AND RIVERS				
Nova Scotia	456,700.	47,900.	---	---
Prince Edward Island	57,000.	19,000.	---	---
New Brunswick	140,000.	33,000.	---	---
Quebec	604,500.	487,300.	---	---
Ontario	978,200.	185,500.	---	---
Manitoba	84,700.	---	---	---
Saskatchewan, Alberta & Northwest Territories	150,000.	---	---	---
British Columbia	165,000.	374,000.	---	---
Generally	---	---	2,287,389.96	
	$2,636,100.	$1,146,700.	$2,287,389.96	
Roads and Bridges	525,000.	---	---	---
Telegraph Lines	22,900.	15,200.	---	7,400.
Generally	---	---	---	---
	$547,900.	$15,200.	---	$7,400.
	$14,605,750.	$4,876,700.	$6,945,889.96	$7,400.

TOTAL FOR PUBLIC WORKS DEPARTMENT $26,435,739.96

This is an act to relieve unemployment
" See Hansard Sept 10th 1930 p. 66 where Mr. Bennett
" said ..... The administration of the
" act shall be of such a non political
C/L " character that Each particular clause
3.5.35 will be dealt with on its merits without
" regard to any other consideration."

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bill - Unemployment policy

[redacted]

advance copy to be continued

House of Commons
Canada

C151482

OTTAWA, June 8, 1935.

To The Honourable Mr. Speaker

and The Honourable Members of the House of Commons,

The Report of the undersigned on the classification of the unemployed, according to their trades or previous occupations.

"It would be highly desirable if there were some method we could employ that would keep us informed from day to day of the number of unemployed people capable of being employed and their classification. When we get the complete information from the provinces, I of course intend to go into it with care in order to see whether, on the basis of the information given, some further steps should be taken in order to classify the unemployed, because it is obvious, if a method can be adopted to give us a complete picture as has been suggested by the hon. member for Témiscouata (Mr. Pouliot), that would be most helpful. (The Hon. W. A. Gordon, Minister of Labour, April 4, 1935; Hansard, page 2594).

This report is based on the elementary principle that, before leaving for somewhere, one should first know where to start from. It is most important to clear the fog which surrounds the unemployment problem in this country.

On February 15, 1932, it was suggested to both the Prime Minister and the Minister of Labour "that before we discuss further the great and difficult problem of unemployment, an inventory be made of all our unemployed, setting out their previous occupations, reasons for unemployment and the concerns for whom they were working before they became unemployed". (Hansard, p. 199).

No answer was given by the government.

On May 4, 1932, the Minister of Labour was asked again to have an inventory or classification made on the unemployed in this country, with the story of each one. (Hansard, p. 2655).

There was no answer.

At the following session, the Hon. Minister of Labour stated that his department had no information as to the division of men, women, etc., or the occupation followed by persons receiving relief. (Hansard, October 31, 1932, p. 693).

Last session, on April 13, 1934, the government was asked "if it was the intention to proceed with that classification with

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the assistance of the provinces". The Prime Minister replied as follows:

Mr. Bennett: "The government has done everything it reasonably could do, in co-operation with the provinces and otherwise, to classify the unemployed." (Hansard, April 13, 1934, p. 2118).

This statement cannot be overlooked because it shows that the government approved the principle of the classification of the unemployed, in spite of the fact that nothing had been done previously in that connection.

On March 21, 1935, the Honourable Minister of Labour spoke as follows:

> "I think that what the hon. member for Temiscouata has suggested is quite a sound thing if it could be done, and we have repeatedly asked the provinces, being constantly in contact with their people, particularly in connection with the administration of relief, if they could devise some scheme whereby a continuous registration could be available. They say they cannot, and I can well understand that there would be grave and serious difficulties in the way of doing it. That is what has been attempted, and that is what has been the result." (Hansard, p. 2116).

On March 26, 1935, the undersigned received from the Mayor of London an invitation addressed to the members of the House of Commons to attend a meeting of the Canadian Mayors' Conference in the House of Commons that evening.

On that occasion, the Mayor of London was asked if the cities represented at that conference had statistics about the classification of the unemployed according to their trade and profession. His first answer was no. But after consultation with some other delegates, he said that those figures were available.

On March 30, 1935, he wrote that the statistics and classification had been forwarded to Professor Bovey of the McGill University, Montreal, who was in charge of the statistical department at the Conference. His Worship added: "Most likely you will hear from him within the next few days."

No word was heard from Professor Bovey, although the information asked for was received directly from the Mayor of London later on.

On April 4th, the Department of Labour forwarded to the undersigned the issue of September 1931 of the Labour Gazette, which contained two paragraphs regarding the registration of the unemployed and a very summary tabulation dated September 1, 1931, showing the number of married and single men on relief in Ontario, Manitoba and Alberta, and the number of women on relief in Manitoba and British Columbia. The undersigned was told that it was then, on April 4, 1935, the only information available in that connection.

On April 1st, 1935, a letter was sent to each Mayor who had attended that conference, in order to get from each municipality the information sought.

On April 11, 1935, a preliminary report was made to the House of Commons, to the effect that information had been received from 15 municipalities and was to come from 8.

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At the time, 6 municipalities had answered that no information was available, and no answer had yet been received from 39. (Hansard, p. 2855).

In justice to the municipalities who had said that they had no available information, they have all sent complete returns some time afterwards. Thanks should be extended, in the first place, to the 15 Mayors who were the first ones to send their returns, which were forwarded to the other Mayors in order to encite them to give that information for their own municipality.

On March 21, 1935, the Minister of Labour has made the following statement in the House of Commons:

> "The province of Quebec would not make a registration because the premier of that province said that in his judgment it would only be an open invitation--I think I am not overstating the case--to make the registration that was suggested. I do not think a registration ever was made in that province. One or two of the smaller provinces made a registration, not a complete but a partial one, and they give us the benefit of the information they obtained. That is the situation. We rely, and must of necessity rely, upon the provincial machinery for information of that kind other than the information which is collected by the Labour department through the agency of the trade unions." (Hansard, p. 2116).

Municipalities from coast to coast were represented at the Mayors' Convention. It is a pleasure to note that returns have been received directly from 100% of them in all provinces including Quebec, with only a few exceptions in the Province of Ontario. The missing information for a few municipalities was supplied by the Honourable David A. Croll, K.C., Minister of Public Welfare of Ontario, who obligingly made available Provincial Relief Registration Returns prepared in August 1934 under the supervision of the late Mr. J. A. Ellis, Secretary of the Provincial Unemployment Relief Department of Ontario.

Most of the returns are for April and May 1935. His Worship Mayor Houde of Montreal has put six men to work for two weeks under General Panet, to prepare the classification of the heads of families on relief in the City of Montreal, according to their trades. He deserves particular thanks for his assistance in helping to secure later returns from other municipalities represented at the conference.

At the time of the Mayors' Conference, that classification of the unemployed was available for very few municipalities. Most of the Mayors have since then fully understood the importance of the matter and had it made at our request. They should be given due credit for their valuable co-operation. They gave an example which should be followed by all other Canadian municipalities.

Those returns are evidently incomplete, because most of them mention only heads of families on relief, some others, heads of families and single men on relief, and a very small percentage, heads of families, single men and women on relief. None of them mention the part time employees and the unemployed who are not on relief. His Worship the Mayor of Chatham, Ontario, who sent a very complete classification of married and single men and women on relief, added that the fact that the unemployed not on relief were not included should be taken into consideration. This applies to all returns received and referred to in this report in which three main matters will be considered: 1o. The total number of unemployed; 2o. The cause and the cost of unemployment, and 3o. The classification of the unemployed according to their trades or previous occupations.

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C151485

[redacted]

TOTAL NUMBER OF UNEMPLOYED

No one can have a clear view of the unemployment problem in Canada unless a comparison is made between the available figures about the unemployed on relief in each municipality and its population.

Up to now, the information is necessarily incomplete because there are no available figures about the very large number of unemployed who are not on relief.

In order to make such comparison, the municipalities should be classified according to their population (1931 census), the tabulation showing also (a) the number of unemployed heads of families on relief and (b) the total number of persons afforded direct relief during the last month, for which statistics are available.

With the exception of a few municipalities of the Province of Ontario, the number of heads of families on relief in all other Provinces is for April and May 1935.

Therefore the following tabulation shows, 1o. the population according to the last census; 2o. the information received from most municipalities about the employable heads of families on relief, and 3o. the information received from the Department of Labour about the total number of persons afforded direct relief. In the latter case, the largest number of figures is for the month of February, 1935.

There is an average of at least four dependents for each head of family on relief. This is a very conservative estimate.

The picture would be more complete if the proportion of unemployed had been made for each municipality. It is to be regretted that the time at our disposal did not permit to make it. But it will be very easy for the reader to judge it by himself.

For instance, the population of Wilkie is 1222. In April, 1934, there was a total of 84 afforded relief. In April, 1935, there were 56 employable heads of families on relief. Therefore the total number on relief should be now approximately 224 persons, showing an increase of about 300%.

On the other hand, in Vankleek Hill in July, 1934, there were 45 people on relief. Now there are 3 heads of families on relief. It shows an approximate decrease of one third of what it was in July last year.

In Wingham, the increase would be 12 times compared with July, 1934, and so on. It is left to every reader to make that calculation.

There are 6 municipalities of the Province of Quebec for which there is no information about the total number on relief and in the City of St. Hyacinthe there has been apparently no expenditure for direct relief.

Another comparison should be made between the population and the number on relief:

In Rivière-du-Loup, P.Q., the population is 8,499. The total on relief, 1,645. In Moncton, the population is 20,689 and the total on relief, 1,691, which means that it is three times worse in Rivière-du-Loup than in Moncton.

In Chicoutimi, the total number on relief is more than 2/3 of the entire population of the municipality.

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It is three times worse in Chicoutimi than in Three Rivers if one considers the population of both municipalities. The population of Saskatoon is larger than that of Three Rivers. In spite of that, the number on relief in Three Rivers is greater than in Saskatoon.

Unemployment is apparently worse in Ottawa than in Quebec, in Montreal than in Toronto, and, in fact, it is nearly twice as bad in Montreal as in Vancouver.

In Montreal the number of those on relief is nearly as large as the total population of the cities of Hamilton and Victoria put together.

In Windsor, the situation is much worse than in Regina, Verdun, Calgary, London, Halifax and Edmonton, although the population of Edmonton and that of Calgary is about ¼ larger.

In Verdun, it is worse than in Halifax, London, Edmonton and Calgary.

The figures below show beyond doubt that the Eastern Provinces are suffering more than the Western Provinces on account of the unemployment problem.

There is more than that. The proportion of the unemployed on relief in the small centers is, in most cases, as large as in the big cities and sometimes it is worse.

Therefore every Canadian citizen is in duty bound to make a careful study of the most alarming problem of unemployment.

	Pop.	Unemployed heads of families April-May 1935	Total number on relief	
Wilkie, Sask.	1,222	56	April '34	84
Vankleek Hill, Ont.	1,380	3	July "	45
Wingham, Ont.	1,959	32	" "	10
Revelstoke, B.C.	2,736	72	Fev. '35	151
Laprairie, P.Q.	2,774	83	no information	
Mont-Joli, P.Q.	3,143	72	" "	
Pointe-Claire, P.Q.	4,058	38	" "	
Ville Saint-Pierre, P.Q.	4,185	122	July '34	381
Farnham, P.Q.	4,205	24	April "	107
Goderich, Ont.	4,491	0	May "	52
Buckingham, P.Q.	4,638	89	July "	569
Simcoe, Ont.	5,226	7	" "	38
Longueuil, P.Q.	5,407	129	no information	
St-Lambert, P.Q.	6,075	57	" "	
West Kildonan, Man.	6,132	245	July '34	952
Grand'Mère, P.Q.	6,461	272	Feb. '35	1,635
Campbellton, N.B.	6,505	64	May '34	509
Mimico, Ont.	6,800	372	July "	1,083
Amherst, N.S.	7,450	381	March '35	2,350
Waterloo, Ont.	8,095	129	July '34	416
Riviere-du-Loup, P.Q.	8,499	326	Feb. '35	1,645
Cap-de-la-Madeleine,"	8,748	734	" "	2,363
St-Jérôme, P.Q.	8,967	358	no information	
Walkerville, Ont.	10,105	393	July '34	1,322
Sorel, P.Q.	10,320	608	Feb. '35	1,779
Thetford Mines, P.Q.	10,701	300	" "	1,901
Joliette, P.Q.	10,765	278	" "	1,525
Cornwall, Ont.	11,126	85	July '34	220
Chicoutimi, P.Q.	11,877	1,319	Feb. '35	8,172
Charlottetown, P.E.I.	12,361	483	" "	2,119

(see over)

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	Pop.	Unemployed heads of families April-May 1935	Total number on relief	
Lethbridge, Alta.	13,489	555	March '35	2,162
Belleville, Ont.	13,790	420	Feb. "	2,129
Chatham, Ont.	14,569	676	" "	1,701
Shawinigan Falls, P.Q.	15,345	802	" "	4,557
St. Thomas, Ont.	15,430	804		
North Bay, Ont.	15,528	273	" "	1,734
St. Boniface, Man.	16,305	745	March '35	3,439
New Westminster, B.C.	17,524	538	Feb. '35	2,466
Stratford, Ont.	17,742	602	" "	2,292
Sarnia, Ont.	17,856	544	" "	1,570
St. Hyacinthe, P.Q.	18,488	460	no expenditure for direct relief	
Sudbury, Ont.	18,518	585	Feb. '35	3,171
Lachine, P.Q.	18,630	994	July '34	4,260
Niagara Falls, Ont.	19,046	1,188	Feb. '35	5,164
Moncton, N.B.	20,689	419	" "	1,691
Glace Bay, N.S.	20,706	772	March '35	3,140
Moose Jaw, Sask.	21,299	1,054	Feb. "	4,948
Sydney, N.S.	23,089	355	March "	1,856
Sherbrooke, P.Q.	28,933	681	Feb. "	3,637
Hull, P.Q.	29,433	1,138	" "	5,766
Kitchener, Ont.	30,793	1,530	" "	4,385
Trois-Rivières, P.Q.	35,450	1,603	" "	8,021
Victoria, B.C.	39,082	816	" "	3,469
Saskatoon, Sask.	43,291	1,624	" "	7,870
Saint John, N.B.	47,514	1,095	" "	5,841
Regina, Sask	53,209	3,547	" "	12,157
Halifax, N.S.	59,275	2,006	March "	10,390
Verdun, P.Q.	60,745	2,434	Feb. "	11,464
Windsor, Ont.	63,108	4,812	" "	16,186
London, Ont.	71,148	2,654	" "	10,168
Edmonton, Alta.	79,197	2,685	March "	10,104
Calgary, Alta.	83,761	2,021	" "	11,117
Ottawa, Ont.	126,872	8,500	Feb. "	20,545
Quebec, P.Q.	130,594	3,397	" "	17,022
Hamilton, Ont.	155,547	5,823	" "	26,977
Winnipeg, Man.	218,785	7,518	March "	34,489
Vancouver, B.C.	246,593	6,428	Feb. "	34,437
Toronto, Ont.	631,207	22,336	" "	117,529
Montreal, P.Q.	818,577	44,579	" "	191,778
	3,567,568	147,627		628,892

As aforesaid, there is no available information about the number on relief in six smaller municipalities and also there is apparently no direct relief in St. Hyacinthe.

As the number afforded direct relief on the above list,--which includes the largest Canadian cities--,is about one half of the total number on relief in all Canadian municipalities, viz. 1,258,421 in March 1935, it means that unemployment affects great many smaller municipalities to a very large extent.

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	Unemployed in Sept. 1930	Estimate for Winter 1931
P.E.I.	---	---
N.S.	1,800	2,350
N.B.	500	2,850
P.Q.	41,190	49,290
Ont.	49,367	82,214
Man.	6,950	9,600
Sask.	5,276	8,201
Alta.	5,155	6,650
B.C.	7,692	14,700
	117,930	175,855

The numbers in the first column were "provided from the various provinces by the various provincial governments".--"They were the latest information concerning the number of unemployed to each member of this house, as it was collected yesterday or the day before."--The numbers in the second one were the estimate for the following winter (1931)--(From a speech by Mr. Bennett on Sept. 10, 1930; Hansard, p. 63).

On the same occasion, Mr. Bennett spoke as follows: "We have employment offices and so far as possible they endeavoured to make a survey, their offices being jointly maintained by federal and provincial authorities." (Hansard, p. 64).

He added: "The figures I have just recited do not include part time employees."

Mr. STEWART (Edmonton): "Are those just the registered unemployed?"
Mr. BENNETT: "Yes." (Hansard, same page).

Were the 117,930 so called unemployed of Sept. 1930 all heads of families or employable men, as it was plainly suggested by Mr. Bennett, or were their dependents included in that number?

The first report of the Dominion Director of Unemployment Relief was published on March 16, 1931. At page 11, there was the following tabulation:

"Table 5a shows the number of families and individuals reported by the Provinces as having received direct relief to Feb. 28, 1931".

-- Table 5a --

Province	Families granted Direct Relief		Individuals granted Direct Relief
N.S.	2,331		
P.E.I.			275
N.B.			
(1)P.Q.	22,095	including	81,344
(2)Ont.	17,000		
Man.			36,968
Sask.			14,151
Alta.	4,150	and	1,277
B.C.	4,370		12,101

(1) In addition to the above, the City of Montreal reports having given 178,659 nights' lodgings to single men and 1,063,834 meals.
(2) Figure given for Ontario is number of cases including heads of families and single men.

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To understand Mr. Bennett's statement with double meaning, of Sept. 10, 1930, it must be compared with the above tabulation.

If one took for granted that the 41,190 so-called unemployed in Quebec, as mentioned by Mr. Bennett in Sept. 1930 and the 81,344 individuals on relief mentioned in the report of March 1931 were employable men, their number would have doubled in five months and the total number of heads of families on relief in the province of Quebec in March 1935, viz. 66,000, would be one fourth less than in Feb. 1931? Most incredible and absurd!

On the other hand, in Sept. 1930, Mr. Bennett stated that there were then 49,367 so-called unemployed in the province of Ontario. The report of March 1931 mentioned only 17,000 heads of families and single men on relief to Feb. 28, 1931. If one took for granted that the 49,367 so-called unemployed of Ontario in Sept. 1930 were heads of families and even single men, their number would have been reduced in February 1931 to one third of what it was five months before. The number of employable on relief in Ontario would have been one fifth of what it was in Quebec during the same period. Therefore the cost of relief should have been five times less in Ontario than in Quebec. But, at the same page of the report, the estimate of expenditures for direct relief to March 31, 1931, was $119,500. more, and, during April 1931, $20,000. more for Ontario than Quebec. This shows how misleading that report was. For what purpose? No one knows.

X But it proved clearly two things: In Sept. 1930, Mr. Bennett, fresh from the general elections, over-estimated the number of unemployed, and, after a few months of office, the report of March 1931 under-estimated it.

On January 22, 1935, Mr. Bennett spoke as follows in reply to Mr. Mackenzie King on the Address: "It may be clear in "the minds of the people that when he spoke of 1,000,000 unemployed "in this country the right hon. gentleman was doing his country an "injury and a wrong, for there is no warrant for any such figure "unless you include every babe in arms and every child from "babyhood to the age of sixteen or seventeen as being among the "unemployed."

Mr. Young: "What are the correct figures?"

Mr. Bennett: "It has been exceedingly difficult, the department states -- "

Some hon. Members: "Oh, oh." (Hansard, p. 82)

Mr. Bennett concluded by saying: "The number has fallen to something less than 1,000,000." (Hansard, p. 83).

According to the Department of Labour, the correct figure of the total number afforded direct relief during that very period, January last, was 1,200,296 !

To use Mr. Bennett's own words, when he spoke of 117,930 unemployed in this country in September 1930, "the right hon. gentleman was doing his country an injury and a wrong for there was no warrant for any such figure unless you included every babe in arms and every child from babyhood to the age of sixteen or seventeen as being among the unemployed".

X The number he then mentioned (117,930) included both the employable and their dependents. So much so, that on February 18, 1935, while speaking on the Unemployment insurance bill, Mr. Bennett quoted figures which were a vindication of the policy followed by the Liberal government during the nine years they were in power. Why was that so? Because the figures he has read show

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only a very small number of unemployed in that time, about 1% of the total population.

Therefore the 117,930 so-called unemployed of Sept. 1930 must be compared, not with the 256,021 heads of families on relief, but with the 1,258,421 individuals, the employable and unemployable and their dependents on relief in March 1935. The number on relief was eleven times more in March 1935 than the total number of unemployed mentioned by Mr. Bennett in September 1930. The expenditure for direct relief in March 1935 was $7,642,242. or approximately fifteen times more than during April 1931 ($559,425.).

That comparison is still incomplete because it does not take into account those who are employed only part time and the very large number of unemployed who are not on relief and who are supported by their families, to a large extent in rural centres.

There are three different classes of unemployed:

1o. Those on relief. The total number is known on account of the disbursements made for relief by the federal and provincial governments and the municipalities;

2o. Those who work part time. Their number is yet unknown;

3o. Those who are supported by their families. Their exact number is also unknown and, moreover, no one knows up to now what kind of work they can do. The tax over-burdened heads of families have to provide for the support of their unemployed children.

With regard to their number, the government has stated recently that the names of 200,000 young men and women would be added to the revised electoral lists. If that figure is correct, it means that approximately 1,000,000 young men and women have come of age during the last five years. Nothing has been done to provide work for them. Moreover they have been handicapped by the fact that married men and others were given preference when there were openings for them.

The case of the part time employees is very sad. Their income has been considerably reduced and many of them are too proud to accept relief. The others face this dilemma: Either their meager pay is deducted from relief or their name cancelled on the relief list.

On September 10, 1930, Mr. Bennett said: "The figures I have just recited do not include part time employees." (Hansard, p. 64). The government has done nothing for them since.

For the above mentioned reasons, even the total number of unemployed in Canada is yet unknown and no endeavour has been made to disclose it.

In this report, one half of the unemployed on relief are classified,for the first time, according to their trades or previous occupations.

The following condensed list of unemployed of 68 Canadian municipalities, classified according to their trades or previous occupations, has been made according to returns received in April and May 1935 from the municipalities concerned and also from the provincial government of Ontario.

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CONDENSED LIST April 7 May 1933

OF UNEMPLOYED OF 68 CANADIAN MUNICIPALITIES,

classified according to their trades or previous occupations

	Maritimes	Quebec	Ontario	West	TOTAL
Building Trades	371	10,438	9,556	4,348	24,713
Factory Workers	183	5,696	7,102	2,287	15,268
Labourers	3,305	31,385	22,259	10,063	67,012
Merchants	44	911	544	625	2,124
Office Help	148	4,608	3,724	2,393	10,873
Professional	5	216	34	247	502
Railway Workers	53	403	570	1,251	2,277
Technicians	156	2,831	1,649	1,594	6,230
Iron and Steel workers	67	441	17	146	671
Longshoremen	158	793		35	986
Miners	91	285		531	907
Seamen	111	134	82	115	442
Fishermen	49	2		41	92
Domestics	496	836	372	1,303	3,007
Sundries	338	1,918	7,342	2,925	12,523
TOTAL	5,575	60,897	53,251	27,904	147,627

Population of above mentioned (68) municipalities

Maritimes	197,589
Quebec	1,267,018
Ontario	1,260,336
West	842,625
TOTAL	3,567,568

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THE CAUSE AND COST OF UNEMPLOYMENT

> "There is no question about it, Mr. Speaker, that with half a dozen strokes of the pen the Minister of Finance could settle the question of unemployment, could make the factories of the country boom, could keep young Canadians in Canada, and could create an active market for all the products of the Canadian farm." (The Hon. Mr. Hugh Guthrie, M.P., formerly leader of the Conservative party, on March 7, 1929, Hansard, p. 755). He is now Minister of Justice in the Bennett government.

In every country there has been a seasonal unemployment during certain times of the year. For instance, lumberjacks earn their wages in winter, and longshoremen in summer.

While speaking on the Address, on February 24, 1930, Mr. Bennett, then leader of the Opposition, made the mistake of implicitely suggesting that seasonal employment was permanent. Here are his own words:

> "What about conditions in this Dominion at this moment? What about conditions from East to West? It is true that part of the unemployment is seasonal; but since the beginning of the year I have traversed Canada from Victoria to the far East. Every city of this Dominion, East and West, there is abnormal unemployment, so that men who are accustomed to give, AS I HAVE BEEN, to assist those who are unable to earn sufficient to keep body and soul together, have never before seen such distress as I have seen in the communities I have visited." (Hansard, p. 18).

Was it because He had given more to "those who were unable to earn sufficient to keep body and soul together", that he was then finding unemployment abnormal?

On May 29, 1930, Mr. Mackenzie King directed the attention of all Members to an item in the estimates

> "to provide for a conference of representatives of Dominion and provincial governments, municipalities, transportation companies and industrial and labour associations, to consider methods of co-operation in furthering continuous employment throughout Canada during the winter months". (Hansard, p. 2797).

In the Canada Year Book (1931), published by authority of the Honourable H. H. Stevens, M.P., then Minister of Trade and Commerce, there is, at page 775, the following remarks about employment as reported by employers during the year 1930:

> "In Canada, as in other parts of the world, there was a general slackening in industrial activities during 1930, resulting in a lower level of employment than in 1929 and also than in some months of 1928. With these exceptions, however, the general index was higher than in previous years of the record."

At that time, unemployment was only a municipal problem. Mr. Bennett's second mistake was to make it a federal issue. He did so during the 1930 campaign, especially while speaking in Moncton, N.B.:

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Mr. Bennett said at Moncton, N.B., on July 9, 1930:

> "The Conservative party is going to find work for all who are willing to work, or perish in the attempt. It is going to call Parliament at the earliest possible date after July 28 and take such steps as will end this tragic condition of unemployment and bring prosperity to the country as a whole. ...Mr. King promises consideration to the problem of unemployment. I promise to end unemployment. Which plan do you like best?"

He spoke on the same lines in several other places. Evidently he was not serious because, according to the statement contained in a book published the following year under the authority of one of his colleagues, it was admitted that the general index of employment during 1930 was higher than in previous years of record. Mr. Bennett was just playing politics before succeeding in making unemployment a matter of agonizing national concern. At the time Mr. Bennett said: "I will end unemployment", there was practically no unemployment in this country except in his own mind. Therefore it would have been very easy for him to cure an imaginary social disease.

-- 1930 --

Having made unemployment a federal issue during the campaign, Mr. Bennett had to redeem his word as soon as he came to power. The special session of 1930 was called. The Speech from the Throne was very short and read as follows:

> "The necessity for dealing with exceptional economic conditions with the resultant unemployment has induced me to summon you at an earlier date than would otherwise be necessary. Measures will be submitted for your consideration, including amendments to the Customs Act and the Customs tariff which it is anticipated will do much to meet the unusual conditions which now prevail." (Hansard, September 8, 1930, p. 4).

On June 3, 1935, referring to the motion he had made in 1929 with regard to the rural mail carriers, the Hon. Hugh Guthrie, Minister of Justice in the Bennett Government, spoke as follows:

> Mr. Guthrie: "My motion was made at a time when the treasury was full of money" --
>
> Mr. Casgrain: "That is a great answer."
>
> Mr. Guthrie: "but now we have struck a depression and hard times ..." (Hansard, p. 3497).

He should have added that the Bennett Government policies had in the meantime emptied the treasury.

On May 1, 1930, Mr. Dunning, Minister of Finance in the Mackenzie King Government, after having summarized the revenue and expenditure statements for the fiscal year 1929-1930, estimated a surplus of revenues over all expenditures of $44,507,000. (Hansard, May 1, 1930, p. 1619).

In the cabinet, Mr. Bennett did not only represent finance, as Acting Minister of Finance, but he was also in the

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House the representative of his colleague the Minister of Labour (Senator Robertson). It was the first time since Confederation that the same minister had represented capital and labour. (Hansard, Sept. 10, 1930, p. 76).

Mr. Bennett first move as Acting Minister of Finance was to place a sum of $20,000,000. for unemployment relief at the disposal of Mr. Bennett, Acting Minister of Labour. That amount of money represented less than one half of the surplus announced by the Mackenzie King Government the same year.

The Bennett Government took back by his left hand nearly twice as much as they had been giving by the other. From August, 1930, to March 31st, 1931, the Bennett Government did not spend $37,327,750.72, which had been provided for by the Mackenzie King Government in the estimates for the fiscal year ending March 31,1931. Moreover, of the $20,000,000 voted for relief at the special session of 1930, the Bennett Government during that fiscal year has spent only $14,303,603., leaving an unallotted balance of $5,696,397.

On January 19, 1932, Mr. Bennett declared before the Toronto Conservative Business Men's Club that "every cent of the $20,000,000 voted by Parliament for unemployment relief at the September, 1930, session had been of incalculable value". Being asked if he had made that statement, Mr. Bennett declared, on January 23, 1935, that "the question should not be on the order paper. It is not a proper question." (Hansard, p. 133) On January 29, 1935, he pointed out that he could not answer that question and added:

> "With respect to the second part, the whole of the $20,000,000. was not spent, but something over $18,000,000. was expended before the grant lapsed. Without any notice or any chance to check it up, said Mr. Bennett, I cannot answer a question predicated upon the premise that certain statements were made by any hon. member of this house as long ago as 1932." (Hansard, p. 336).

From the March 31, 1934, report of the Dominion Commissioner of Unemployment Relief, it appears that $14,571,000. was spent for public works and $3,540,000 for direct relief, under the 1930 Relief Act. A sum of nearly $2,000,000 of the $20,000,000. was unspent.

If unemployment had really been "abnormal" in the first part of the year 1930, would not the Bennett Government have expended the total amount of estimate for that fiscal year instead of curtailing it by over $37,000,000? Would they not have expended for relief the total amount of $20,000,000 voted during the special session of 1930?

On September 10, 1930, Mr. Bennett mentioned that there were 117,930 unemployed. As Mr. Bennett had said that he would end unemployment, if those 117,930 so-called unemployed had been employable persons, he should have provided for work for all of them. In spite of that, on September 10, 1930, he said:

> "I have the very sincere conviction however that within the next few weeks, at least it (the expenditure of $20,000,000.) will afford a remedy to some 25,000 or 30,000 workmen, and that it will thereby effectually provide sustenance to at least twice that number of people. (Hansard, p. 71).

He repeated the same statement on September 16, 1930, (Hansard, p. 261).

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Of the 117,930 unemployed, there were only 25,000 to 30,000 who were employable workmen. Otherwise Mr. Bennett would have provided work for 117,930. It shows clearly that the number of 117,930 included the dependents of the unemployed.

On April 11, 1934, Mr. Bennett said:

> "There were in this Dominion before the depression set in an average of 143,000 people who had to be cared for, during the period they were unable to work, either by the savings they had made or by contributions made by the taxpayers." (Hansard, p. 2213).

He repeated the same statement at page 2216 of Hansard. This is in accordance with the Canada Year Book published under the authority of his colleague Mr. Stevens in 1931. The average of unemployed was higher in previous years than in the year 1930.

Mr. Bennett first mistake with regard to the unemployment problem was to exaggerate it by implicitely suggesting in February, 1930, that seasonal employment was permanent. His second mistake was to make it a federal issue when it was then a purely municipal problem, and his third and worst mistake was to make it a question of dollars and cents when it should have been considered only from the social point of view.

His fourth mistake was to believe that high tariff would be a cure for unemployment. In fact, unemployment was practically non existing at the time, but high tariff made it a matter of national concern.

During the special session of 1930, 152 items of tariff were blindly increased and 11 decreased "to meet the unusual conditions which then prevailed". The Prorogation Speech was as follows:

> "I thank you for the prompt consideration which you have given to the measures submitted to you, and which are deemed necessary for the relief of unemployment in the Dominion. It is my fervent hope and confident belief that these measures will prove effective in accomplishing the purposes for which they have been enacted." (September 22, 1930; Hansard, p. 603).

Two tariff items were increased and one decreased by Orders-in-Council that year.

Mr. Bennett was evidently wrong in making the unemployment problem a federal issue, but he also made a great mistake in thinking first that unemployment could be remedied to by high tariff and secondly that it could be cured by a grant of money. It meant that if high tariff was unsuccessful, the grants from the Federal Exchequer should be proportionately larger. This time, he was not paying any more from his own pocket, but the country had to pay very dear for his errors of judgment.

In spite of the fact that $18,155,000., of the $20,000,000. voted in 1930, had been spent under the Unemployment Relief Act of 1930, unemployment was increasing all the time. The incomplete table 5a of the report of the Dominion Director of Unemployment Relief of March 16, 1931, shows, for instance, that in the Province of Quebec, if the number of unemployed in September,1930, were 41,190, according to Mr. Bennett's statement, the number of individuals granted direct relief was 81,344 in February 28, 1931.

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After having made unemployment a federal issue by stating that HE, as leader of the Federal Government, would end unemployment. Mr. Bennett realized that he had gone too far and decided to impose a heavy and uncalled for burden of expenditure for unemployment relief on the provinces and the municipalities as well. Such course would have been superfluous if his government had spent the items provided for by the Mackenzie King government in the estimates for that fiscal year. That was his fifth mistake.

His sixth mistake was to take advantage of the 1930 Relief Act to impose on the railways the construction of new lines and new branch lines.

Due to the legislation passed during the special session of 1930, unemployment had become a joint federal, provincial and municipal problem.

-- 1931 --

The following session opened on March 12, 1931. The high tariff policies enacted during the special session of 1930 had been in force for six months and had proved to be nefarious and disastrous. The London conference of 1930, which was attended by Mr. Bennett, had been also a complete failure. The Speech from the Throne begins as follows:

> "I welcome you to your duties at a time when the nations of the world are passing through a period of great economic depression. Canada has not escaped it.... The problems which stand between us and ultimate prosperity are manifold and great. To be effectually met they must first be understood. Confusion between cause and effect will but delay their solution."

Everyone will agree with the soundness of the two last sentences. High tariff was the cause of depression in Canada and unemployment the effect. To meet that problem, Mr. Bennett should have first understood it. He unfortunately did not.

The reader has already seen how incomplete and misleading was table 5a of the report of the Dominion Director of Unemployment Relief, showing the number of families and individuals reported by the province as having received direct relief to February 28, 1931. The reason why it was so incomplete will be found in the Speech from the Throne:

> "In this period of universal distress, Canada has been spared the same acute degree of hardship which many other nations have been called upon to bear.
>
> "My government has explored the origins of our difficulties and is firmly of the belief that many of our problems do not arise outside world-wide depression, but are antecedent to it; and that domestic factors have also largely determined the degree of economic distress from which this country is suffering."

The above mentioned report is dated March 16, 1931. The Speech from the Throne of March 12, 1931, fully explains why it was so misleading.

Mr. Bennett was too proud to admit that his uncalled for and unwarranted tariff legislation had been a failure. The

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Speech from the Throne said that it had "resulted in a marked improvement in the domestic situation". Instead of admitting his own wrongs, the Prime Minister tried to put the blame on the previous government, as he has always done since.

The cure prescribed to Canada by Mr. Bennett was fatal. He doubled the dope.

During the 1931 session, 128 tariff items have been increased and 55 decreased by Parliament; 2 were increased and 7 decreased by Orders-in-Council.

During that year, the total number given direct relief was 741,241. Those given direct relief were about seven times more numerous than the so-called unemployed mentioned by Mr. Bennett in 1930. The Dominion disbursements under the Unemployment and Farm Relief Act of 1931, etc., were $42,740,000., three times more than what was spent under the Unemployment Relief Act from September 1930 to March 16, 1931.

In virtue of that act, the Federal government imposed more works on the provinces and municipalities. Mr. Bennett's seventh mistake was to be responsible for the immidiate construction of considerable and unnecessary works by joint federal, provincial and municipal expenditure, when such works should have been spread during a number of years. Such policy was a palliative and not a cure of unemployment because, to use the language of the Speech from the Throne, confusion between cause and effect delayed the solution of the manifold and great problems which stood between us and ultimate prosperity. They were not effectually met, because they were not first understood. The idea of doing in one year public works which should have been done in several years was absurd. As soon as they were completed, nothing was left to be done.

Neither the provinces nor the municipalities were in a good enough financial position to undertake them. The Dominion had to loan to several provinces their share of the cost of approved public works and the percentage paid by the municipalities varried from 10% to 50%.

The Prorogation Speech of 1931 was as follows:

> "Since you entered upon the duties of the session, the world-wide depression in economic conditions has grown more acute, and the consequent state of unemployment and distress in many parts of the country has been intensified through the partial failure of the wheat crop of western Canada. To augment existing relief measures, the Governor-in-Council has been empowered to take the necessary action to provide the maximum of employment and to aid, by such means as may be deemed expedient, the recovery from the adverse conditions arising primarily from the crop failure.
>
> "The great powers of Europe and America, following the generous and constructive action of the President of the United States of America, which Canada whole-heartedly endorses, are unitedly striving for the re-establishment of better world conditions. Towards this purpose we may now effectively contribute, by steadfastly bending ourselves to the task of freeing Canada from the consequences of this universal state of economic depression and of the particular misfortune which has befallen the West; so that this country may be ready to take its place in the forefront of the world's recovery."

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Did the measures adopted by the Bennett government prove effective in accomplishing the purposes for which they had been enacted?

In the Fall of 1931, the Honourable G. Howard Ferguson gave an interview on his visit to Canada:

> "There is no use disguising the fact", said Mr. Ferguson, "that conditions in Canada are none too good, but where in the world are they any too good? While unemployment conditions are bad, the position is not as serious as one would expect." (CANADA, October 24, 1931, p. 77). That magazine is published in London, England.
>
> Mr. Heaps: "The Prime Minister stated that as a result of these increases in the tariff, employment would be created for approximately an additional 25,000 men. Could he give the information in a detailed form?"
>
> Mr. Bennett: "I indicated to the committee that that was an estimate. One of the communications I have just read intimates that 100 additional men will be employed between now and the end of the year, and others, of course, will come into maximum production more slowly. The ultimate advantage to the consumer, we think, will be in the employment of an additional 25,000 men." (Hansard, September 22, 1930, p. 577).

By accepting the promise of priviledged manufacturers "as an assurance", Mr. Bennett was persisting in his fourth mistake. He was still believing that high tariff would cure unemployment. On September 10, 1930, according to Mr. Bennett, the total number of unemployed was 117,930; to January 31, 1932, 339,000 had been afforded an average of 20 1/3 days of work and the total number given direct relief was 741,241. (Report of the Dominion Director of Unemployment Relief, March 1, 1932, pages iii and iv).

-- 1932 --

> "Many of us who sit on this side of the Chamber believe that the policies of a government in a new country with practically untouched resources are responsible for unemployment." (Mr. Bennett, Sept. 10, 1933, Hansard, p.61).

The Speech from the Throne, February 4, 1932:

> "You enter upon your duties at a time of continuing and universal economic disturbance and distress. World conditions are beyond the control of the Canadian people. But I rejoice that their resolute adherence to policies designed for the welfare of the nation (!) has MINIMIZED THE ADVERSE INFLUENCE of external economic forces... The provisions made at the last session of parliament for unemployment and farm relief ARE PROVING EFFECTIVE. You are SUCCESSFULLY meeting difficult domestic problems. Conditions are gradually improving. But prosperity in full measure must await the satisfactory adjustment of accounts between debtor and creditor nations of the world and the restoration of international monetary standards, from which the acute financial difficulties have compelled A TEMPORARY DEPARTURE."

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The following sentence was a gem of that speech: "Canada still maintains its high place in world commerce." 280 items in the customs tariff had been increased and 66 decreased during the special session of 1930 and the regular session of 1931. During the twelve months ending August 31, Canada's external trade in 1931 was $656,741,352. less and in 1932 $1,088,606,113. less than during the last year the Mackenzie King government was in power. (Hansard, March 29, 1935, p. 2419).

From the Prorogation Speech, session of 1932:

> "My government's policy of unemployment and farm relief, consistently and vigorously persued, has already achieve an amelioration of conditions and forecast steady and continued improvement in both agrarian and industrial communities."

THE EXPENDITURE FOR RELIEF WORKS

On April 15, 1931, Mr. Bennett has said:

> "Let this be borne in mind, that the $20,000,000. involves an expenditure during the next few months of over $75,000,000. on undertakings that, just as soon as conditions warrant, will be carried on." (Hansard, p.631).

The relief act of 1930 had lapsed at the end of the previous fiscal year, two weeks before he was speaking of undertakings to be carried on "as soon as conditions warranted".

There was more to it. In Mr. Bennett's mind, the provinces and municipalities could spend together nearly twice as much as the Dominion, viz. $55,000,000. against $20,000,000. from the federal exchequer. He thus over-estimated the spending power of the provinces and municipalities and induced them to spend beyond their means and their capacity to meet payments. And all that was done under the false label of generous grants from the Bennett government while in fact such a policy was actually piling up liabilities on already overburdened provinces and municipalities. "Timeo Danaos et dona ferentes." It was just an invitation to popular favour. This was his eighth mistake and it explains why only $14,571,000. of the $20,000,000. was spent for relief works.

Of the $42,740,000. spent under the 1931 relief act and the continuance act of 1932, $32,546,000. was spent on the long run for public works and undertakings, and of that amount only $6,334,000. was paid in the fiscal year 1931-1932, leaving then a balance unpaid of $26,732,000.

Mr. Bennett's ninth mistake was to shift the accounting for relief from one fiscal year to the other and to use such red tape for the payment of Dominion contributions to approved public works. Such was the purpose of the continuance act of 1932.

DIRECT RELIEF

> "The basis of these measures is work, not charity. It is to provide employment for wages, and not for doles." (Mr. Bennett, September 10, 1930; Hansard, p. 66).

In 1930 and 1931, a sum of $3,540,000. of the $18,155,000. spent under the 1930 relief act and another sum of $10,109,000. of the $42,740,000 spent under the 1931 relief act had already been used for direct relief and provided for doles and not for employment.

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From the Speech from the Throne, session of 1932-33:

"The problem of unemployment continues to receive the anxious attention of my ministers. Under the powers granted them at the last session of Parliament, they have been able to develop further, in co-operation with the provinces and municipalities, a scheme of direct relief to be put into operation during the autumn and winter months to the extent required by prevailing conditions. Plans for the re-establishment of the unemployed in various parts of the country are in preparation and will become operative as soon as, in the opinion of my ministers, the proper expenditure incident thereto will be productive of commensurate benefits." (Hansard, October 7, 1932, p. 2).

In 1932, the number of individuals on relief had grown from 741,241 in January 1932, to 1,306,044 in January 1933.

Apparently the Dominion disbursements under the Relief Act of 1932 were $25,577,366. or $17,000,000. less than for the previous year, but the total amount of provincial and municipal expenditure for approved relief works in the year 1931-32 was so out of proportion with the revenue of the provinces and municipalities that in 1932 Mr. Bennett decided to reduce that expenditure and to make loans for provincial purposes including public works, relief and for assistance to farmers, including purchase of seed grains. Those loans amounted to $38,261,506.55, which added to the expenditure of $25,577,366.35 make a total of $63,838,872.90. In fact, it was $21,000,000. more than the previous year, although the Speech from the Throne of 1932 had mentioned that "conditions were gradually improving".

Mr. Bennett's tenth mistake was to take advantage of the relief act of 1932 to give several guarantees, on behalf of the Dominion, without the authorization of Parliament, especially to the Province of Manitoba Savings Office $334,098., to the Beauharnois Light, Heat and Power Company $15,539,000. and to the Government of Newfoundland $625,000. What made it worse, was the fact that Parliament was sitting at the time.

The closure speech of the 1932-33 session--in which the Ottawa agreements were passed--ended thus:

> "The courage with which the Canadian people endured the burdens imposed upon them in these troubled times is witnessed to their great faith in the future of this country. It is however realized that co-operation amongst the peoples of the world is essential to recovery from the unprecedented conditions which have for so long prevailed in all countries." (Hansard, May 27, 1932, p. 5582).

In both sessions of 1932 and 1932-33, 150 tariff items were increased and 144 decreased by Parliament. The decrease was only for British preferential tariff. One item was increased and 7 decreased by Orders-in-Council.

During the twelve months ending August 31, 1933, Canada's external trade was $1,232,880,415. less than during the last year the Mackenzie King government was in power.

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In 1932 the monthly number of individuals given direct relief was as follows:

May	596,946
June	623,520
July	696,757
August	732,300
September	794,761
October	871,344
November	1,118,236
December	1,243,366

-- 1933 --

The Dominion disbursements under the Relief act of 1933 were $25,434,087.07. It was not enough to meet the relief expenditure. Therefore the Bennett government persued his 1932 policy of loans, the amount of which was $53,936,977.63, including a non-active loan to the C.P.R., making a total of $79,371,084.70, or $15,500,000. more than the previous year. The total number given direct relief was 1,283,966 or 22,078 less than the previous year. If those figures, which were given by the Dominion Commissioner of Unemployment Relief, were correct, how was it that the expenditure for unemployment relief was $15,500,000. more in 1933 than in 1932?

Mr. Bennett was persisting in his tenth mistake and fallacious policy when, under the 1933 relief act and on behalf of the Dominion, but without the authorization of Parliament, he gave the following guarantees:

Province of British Columbia	$ 626,533.75
" " Manitoba	5,894,127.49
Algoma Steel Corporation, Ltd.	660,000.00
Dominion Steel and Coal Corp. Ltd.	1,100,000.00
Canadian Pacific Railway	60,000,000.00
Wheat marketing) 1932 Wheat crop)	amounts unknown
Beauharnois L. H. & P. Co.	15,538,500.00

In a broadcast from London to the United States and Canada before the World Economic and Monetary Conference of 1933, Mr. Bennett said:

> "Our task is, therefore, to find ways and means for the restoration of normal conditions."

He had been in power for three years and he had not yet found ways and means for the restoration of normal conditions in Canada, although he was forced to confess that it was his task. In the meantime, his policy of high tariff had proved to be a complete failure; it had destroyed our trade and increased unemployment to the limit.

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In the same broadcast Mr. Bennett made the following statements:

> "The conference is dealing with the situation from the standpoint of the measures that should be taken to afford temporary relief, as well as effect a permanent cure of economic ills....
>
> "But this is no time to look backward. 'Not heaven itself upon the Past hath power.' It is to the future that we must now look, with courage, confidence, hope and determination."

THE CONFERENCES TO WHICH MR. BENNETT TOOK PART WERE A FIASCO

> "They (the Canadians) cannot help remembering that the Ottawa agreements followed upon the uneffective London conference." (CANADA, weekly published in London, England, July 22, 1933, p. 74).

When Mr. Bennett unveiled a memorial to Lord Durham and received LL.D. at Bristol, England, in July 1933, he spoke as follows about the two previous conferences:

> "Speaking of the Ottawa conference (in which the Ottawa agreements were signed in 1932), Mr. Bennett said some people seemed to feel that the benefits that were effected had not been derived from it.
>
> "With regard to the World Economic Conference (of 1933), Mr. Bennett remarked that possibly it had met rather sooner than it should have done." (CANADA, same publication, July 22, 1933, p. 79).

-- 1934 --

"But this is no time to look backward. It is to the future that we must now look, with courage, confidence, hope and determination", had declared Mr. Bennett in his London broadcast of 1933. Thus looking to the future, he finally discovered the camp policy for single, unemployed, homeless men.

From the Speech from the Throne, session of 1934:

> "The representatives of the various provinces strongly approved of the arrangements made by my government to call for single, unemployed, homeless men in camps until such time as they could be absorbed in industry, by providing them with employment on undertakings for the national good; and said the provisions made in 1932 for settlement of families on the land, which has been extended with successful results. My government proposes further to promote employment by expenditure on essential public works and undertakings throughout the Dominion..."

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Did it mean that the previous works imposed by Mr. Bennett on the provinces and municipalities and undertaken at joint federal, provincial and municipal expenditure were unessential and even useless? "But this is no time to look backward", said Mr. Bennett.

> "...I congratulate you that such improved world conditions are reflected in Canada by expanding trade, improving revenues, increasing employment, and a more confident outlook upon the future. Canada occupies a leading position among those countries where the evidence of a return to permanent prosperity is more convincing. (Hansard, January 25, 1934, pp. 2 & 3).

From the Prorogation Speech, July 3, 1934:

> "The progressive improvement of general economic conditions in Canada which is presently more in evidence gives every indication of continuous and increasing measure."

TARIFF CHANGES BY THE BENNETT GOVERNMENT

Since August 1, 1930, there had been 471 increases in the tariff schedule by Act of Parliament and 4 by Orders-in-Council, with 366 decreases by Parliament (mostly for British preference in Ottawa agreements) and 7 by Orders-in-Council, according to a return tabled by the government on June 5, 1935. The return shows 1,100 items in the tariff schedule on August 1, 1930 and 1,280 now. Many of the items were changed more than once. (Sessional paper, no. 250, June 5, 1935).

> Mr. POULIOT: "I was told this afternoon that the government secured information from the tariff board in regard to the increases and decreases in duty that have taken place since 1930, but as the announcement of the appointment of the personnel of the board was not made in the house until February, 1933, may I ask the Minister of Finance who advised the government in regard to the increases and decreases in the tariff that took place from August 1, 1930, until the tariff board was appointed in February, 1933? "
>
> Mr. RHODES: "The government must take full responsibility for any changes it initiates, and I have no hesitation in saying that the government is quite prepared to undertake that responsibility." (Hansard, June 5, 1935, p. 3587).

By comparing each year the Bennett government has been in power, until August 31, 1934, with the last year of the Mackenzie King government, the total loss in Canada's Empire trade was $743,455,590. (Hansard, March 29, 1935, p. 2417).

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During the twelve months ending August 31, 1934, Canada's external trade was $978,605,274. less than during the last year the Mackenzie King government was in power. (Hansard, March 29, 1935, p. 2417).

In 1934 the number of individuals given direct relief was in proportion with that loss in trade:

Month	number of individuals	cost
January	1,283,966	$ 6,681,438.
February	1,270,599	6,958,850.

Those figures are in the last report of the Dominion Commissioner of Unemployment Relief, dated March 31, 1934.

Canada under Mr. Bennett's policies has gone a long way since there were 117,930 unemployed in September 1930.

-- 1935 --

Due to the Bennett high tariff policies and according to the official returns, the loss in Canada's external trade during each one of the last five years has averaged one billion dollars a year or $3,000,000. daily, excepting Sundays. (Hansard, March 29, 1935, p. 2420).

The loss in our domestic trade has been in the same proportion. (Hansard, June 6, 1934, p. 4030-4033).

To quote Mr. Bennett's own words in his broadcast of 1933 from London to Canada and the United States:

> "No permanent improvement can be secured (4) unless, consistent with our national economic system, the channels of international trade are cleared." (CANADA, July 8, 1933).

Although the report of the Dominion Director of Unemployment Relief for the last fiscal year has not yet been tabled, we have got official figures from the Labour Department showing the total number afforded direct relief and the cost of same during that period.

1934	Number	Cost
April	1,237,449	$ 6,851,962.
May	1,209,465	6,586,004.
June	1,041,125	5,574,570.
July	984,789	5,182,379.
August	977,587	5,297,812.
September	930,170	5,217,604.
October	1,051,085	6,177,052.
November	1,063,506	7,479,093.
December	1,138,036	6,741,183.
1935		
January	1,200,296	7,699,826.
February	1,286,013	7,310,940.
March	1,258,421	7,642,242.
		$ 77,760,667.

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The cost of direct relief represents total monthly expenditures by the Dominion, the provinces and the municipalities. The Dominion contribution to direct relief, (which does not include expenditure for works and loans) was $23,072,274. during that period.

MR. BENNETT'S MISTAKES AND ERRORS OF JUDGMENT

1o. In February 1930, when Leader of the Opposition, he considered seasonal unemployment as permanent unemployment.

2o. When unemployment was only a municipal problem, he made it a federal issue.

3o. He made it a question of dollars and cents when it should have been considered from the social point of view.

4o. He thought that unwarranted and uncalled for high tariff would cure unemployment.

5o. He imposed a heavy burden of expenditure on provinces and municipalities, which was wrong from a constitutional point of view.

6o. He imposed on the railways the construction of new lines and new branch lines, at a time when it was not necessary in the public interest.

7o. He was responsible for the construction of considerable and unnecessary works by joint Dominion, provincial and municipal expenditure, when such works, if necessary, should have been spread during a number of years.

8o. He over-estimated the spending power of the provinces and municipalities and induced them to spend beyond their means and their capacity to pay.

9o. He shifted the accounting for relief from one fiscal year to the other and used red tape for the payment of Dominion contributions to approved public works.

10o. He took advantage of the relief legislation to give several guarantees on behalf of the Dominion to public bodies and even a foreign country, Newfoundland, and private corporations, without the authorization of Parliament.

Each one of the above mentioned mistakes and errors of judgment of the Bennett government has been responsible for increasing the number of unemployed, and the cost of unemployment relief though shown by the official reports to amount to hundreds of millions of dollars is still and by far short of the amount actually disclosed.

Mr. Bennett said in his radio speech, January 2, 1935:

> "I told you in 1930 that I would end unemployment. That was a definite undertaking. By it I stand. ....Therefore, now that the time has come, I am determined to try with all my strength to correct the working of the system in Canada so that present unemployment conditions may be put an end to. When I say I will correct the system, I mean that I will reform it. And when the system is reformed and in full operation again, there will be work for all."

Did he ever take himself seriously?

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C151506

THE MARITIMES
April and May

(Returns from 8 Cities and Towns)

	Population	Unemployed	Labourers
XCharlottetown, P.E.I.....	12,361	483	483
XGlace Bay, N.S.....	20,706	772	623
XAmherst, N.S.....	7,450	391	187
Halifax, N.S.....	59,275	2,006	749
XSydney, N.S.....	23,089	355	275
XCampbellton,N.B.....	6,505	64	54
XMoncton, N.B.....	20,689	419	256
XSt.Jean, N.B.....	47,514	1,095	678
TOTAL	197,589	5,575	3,305

SUMMARY

Building Trades	371	Fishermen	49
Factory Workers	183	Iron and Steel workers	67
Labourers	3,305	Longshoremen	158
Merchants	44	Miners	91
Office Help	148	Seamen	111
Professional	5	Domestics	496
Railway Workers	53	Sundries	338
Technicians	156		5,575

X Heads of families

CHARLOTTETOWN, P.E.I.

From G.P.Nicholson, City Clerk, May 3, 1935: "The names as listed on our unemployment list, that is those that are receiving assistance from the City through direct relief, are classified as labourers. There are no professional or other persons receiving direct relief."--Are they not rather longshoremen and fishermen? --From the Dept. of Labor at Ottawa, May 22, 1935: 483 heads of families and 1,636 dependents, making a total of 2, 119 on relief at a Dominion expenditure of $6,789. in February 1935.

GLACE BAY, N.S.

Total expenditure for relief from 1930 to July 1934, $972,108.13, of which $221,905.85 for relief works; Dominion proportion $305,513.85.--At times, more than one half of the population was on relief.

HALIFAX, N.S.

From Mayor E. J. Cragg, May 1st, 1935: A complete classification of men and women, married and single, on relief, although not including dependents.

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PUBLIC ARCHIVES
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CANADA

C151507

[redacted]

CHARLOTTETOWN, P. E. I.

(Population - 12,361)

I Public Works

	Total Expenditure	Dominion Proportion
1930	$21,685.10	$ 5,000.00
1931-2	31,365.00	7,113.02
1933-4	3,794.70	758.94
1934	26,209.00	3,671.03
	$83,053.80	$16,542.99

II Direct Relief

Period Covered	Total Expenditure	Dominion Proportion	No. Recipients
Sept. 1-30/32	$ 83.22	$ 27.74	116
Oct. 1-31/32	485.78	161.93	116
Nov. 1-30/32	1,312.43	437.48	763
Dec. 1-31/32	602.88	200.96	829
Jan. 1-31/33	2,389.80	796.60	1,106
Feb. 1-28/33	5,519.55	1,839.85	383
March. 1-31/33	8,364.17	2,788.06	464
Apr. 1-30/33	7,941.28	2,647.09	502
May 1-31/33	6,246.57	2,082.19	515
June 1-30/33	2,134.61	711.54	339
July 1-31/33	595.42	198.48	49
Aug. 1-31/33	560.77	186.92	424
Sept. 1-30/33	1,187.25	395.75	987
Oct. 1-31/33	1,272.10	424.03	1099
Nov. 1-30/33	1,047.35	349.12	802
Dec. 1-31/33	2,544.96	848.32	1320
Jan. /34	8,415.47	2,805.16	2586
Feb. /34	11,179.96	3,726.65	2317
March/34	9,753.60	3,251.20	2332
April/34	8,189.14	2,729.71	
May/34	1,007.43	335.81	
June/34	402.37	134.12	
July/34	450.83	150.28	
	$81,686.94	$27,228.99	
Less Refunds applied	61.41	20.47	
	$81,625.53	$27,208.52	

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CANADA

C151508

TOWN OF GLACE BAY
NOVA SCOTIA
Mayor's Office

May 13th., 1935.

Mr. Jean-François Pouliot, M.P.,
House of Commons,
Ottawa.

Dear Sir:

For your information the following is a classification of the unemployed according to trade or profession:

Laborers	110
Miners	82
Fishermen	33
Farmers	6
Carpenters	9
Clerks	11
Machinists	10
Teamsters	7
Blacksmiths	2
Electrician	1
Plumber	1
	272

These represent the heads of families who are now receiving relief from the Town of Glace Bay. In addition to these, there are in the vicinity of five hundred others who receive relief, mostly part time miners.

I regret indeed the unavoidable delay in forwarding you this information.

Yours very truly,

(sgd) D.M. Morrison
Mayor.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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CANADA

[redacted]

MAYOR'S OFFICE

SYDNEY, N.S.

Apl. 12th, 1935.

Mr. Jean-Francois Pouliot,
House of Commons,
Ottawa, Canada.

Dear Sir:-

Answering your letter re classifications of unemployed in the city of Sydney.

Our Relief Department furnishes me with the following information:

Laborers	275
Tradesmen	40
Domestics	40

I regret that this information did not go forward before, but have been to the Provincial Capital of legislative business, and this was overlooked.

Yours truly,

(Sgd.) S. E. Muggah

S. E. Muggah.

Mayor.

SEM/MR.

W.L.M. King Papers, Memoranda and Notes, 1933-1939
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CANADA

C151510

THE MARITIMES
April and May

(Returns from 8 Cities and Towns)

	Population	Unemployed	Labourers
XCharlottetown, P.E.I.....	12,361	483	483
XGlace Bay, N.S.....	20,706	772	623
XAmherst, N.S.....	7,450	381	187
Halifax, N.S.....	59,275	2,006	749
XSydney, N.S.....	23,089	355	275
XCampbellton,N.B.....	6,505	64	54
XMoncton, N.B.....	20,689	419	256
XSt.Jean, N.B.....	47,514	1,095	678
TOTAL	197,589	5,575	3,305

SUMMARY

Building Trades	371	Fishermen	49
Factory Workers	183	Iron and Steel workers	67
Labourers	3,305	Longshoremen	158
Merchants	44	Miners	91
Office Help	148	Seamen	111
Professional	5	Domestics	496
Railway Workers	53	Sundries	338
Technicians	156		5,575

X Heads of families

CHARLOTTETOWN, P.E.I.

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(Population - 12,361)

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C151512

TOWN OF GLACE BAY
NOVA SCOTIA
Mayor's Office

May 13th., 1935.

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